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FEDERAL REGISTER

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Codification Guide

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published in today's issue. A cumulative list of parts affected, covering the current month to date, appears at the end of each issue beginning with the second issue of the month.

Monthly, quarterly, and annual cumulative guides, published separately from the daily issues, include the section numbers as well as the part numbers affected.

FEDERAL REGISTER

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Presidential Documents

Title 3—THE PRESIDENT

Proclamation 3341

UNITED NATIONS DAY, 1960

By the President of the United States of America

A Proclamation

WHEREAS the establishment of a just and enduring peace throughout the world is essential to the survival of civilization; and

WHEREAS the United Nations is a powerful instrument for guarding mankind against the calamity of war and for establishing the rule of law among nations; and

WHEREAS the United Nations has demonstrated its ability to assist in the orderly progress of dependent peoples toward self-government; to help those who live in underdeveloped areas to become self-sustaining; and to drive back the forces of disease and poverty wherever found; and

WHEREAS the United States supports the United Nations with unswerving loyalty as it works to advance the economic, social, and spiritual well-being of all peoples; and

WHEREAS the General Assembly of the United Nations has resolved that October twenty-fourth, the anniversary of the coming into force of the United Nations Charter, should be dedicated each year to making known the purposes, principles, and accomplishments of the United Nations:

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, do hereby urge the citizens of this Nation to observe Monday, October 24, 1960, as United Nations Day by means of community programs which will demonstrate their faith in and support of the United Nations and contribute to a better understanding of its aims, problems, and achievements.

I also call upon the officials of the Federal and State Governments and upon local officials to encourage citizen groups and agencies of the press, radio, television, and motion pictures to engage in appropriate observance of United Nations Day throughout the land in cooperation with the United States Committee for the United Nations and other organizations.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this thirty-first day of March in the year of our Lord nineteen hundred [SEAL] and sixty, and of the Independence of the United States of America the one hundred and eighty-fourth.

DWIGHT D. EISENHOWER

By the President:

CHRISTIAN A. HERTER,
Secretary of State.

[F.R. Doc. 60-3124; Filed, Apr. 1, 1960; 2:28 p.m.]

Rules and Regulations

Title 12—BANKS AND BANKING

Chapter V—Federal Home Loan Bank Board

SUBCHAPTER D—FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION

[No. FSLIC-829]

PART 563—OPERATIONS

Discounts, Commissions and Related Credits and Charges

MARCH 29, 1960.

Resolved that, notice and public procedure having been duly afforded (24 F.R. 6273) and all relevant matter presented or available having been considered by it, the Federal Home Loan Bank Board, upon the basis of the determination by it that the crediting in full to current income of insured institutions of commissions, discounts, fees, or similar considerations, charged by such institutions in the making or acquisition of mortgage loans, is or may be injurious or dangerous to such institutions' operations and their safety and soundness, and that the amendment hereinafter set forth will require such charges to be treated in accordance with sound accounting and financial practice, to effectuate such determination hereby amends Part 563 of the Rules and Regulations for Insurance of Accounts (12 CFR 563) by inserting in said Part immediately after § 563.23 (12 CFR 563.23) a new section to be numbered 563.23–1 to read as follows, effective January 1, 1961:

§ 563.23–1 Charges and credits for premiums, discounts, profit on real estate sold, and related items.

(a) *Charges.* All finder's fees, commissions, and other similar costs to an insured institution of mortgage loans made or acquired by it shall be charged to such institution's expense for the accounting period in which such costs are incurred and shall not be deferred beyond the end of such accounting period. A premium paid by an insured institution for an installment mortgage loan purchased shall be amortized at a level rate semiannually over the life of the individual loan or over the average period of repayment of installment mortgage loans of the institution. A premium paid by and insured institution for a non-installment mortgage loan purchased shall be amortized at a level rate over the life of the individual loan.

(b) *Credits.* Any discount on, and any fee or other consideration (except interest as provided in the loan contract) charged or received in connection with, the purchase or acquisition of a loan by an insured institution shall be deferred and credited to an account descriptive of deferred income, and a proportionate amount of such discount, fee, or other consideration, shall be taken into such institution's income semiannually over the same period of time within which interest provided by the loan contract is credited to such institution's income, or over a period not less than the average life of such institution's installment mortgage loans. Any consideration, other than interest as provided by the loan contract, charged or received by an insured institution for or in connection with the making of any mortgage loan or of a commitment to make any mortgage loan, in excess of an amount equal to 2 percent of the loan if the loan is for the purpose of construction, and in excess of an amount equal to 1 percent of the amount of the loan if the loan is for any other purpose, shall be deemed to be a discount, shall be deferred and credited to an account descriptive of deferred income, and a proportionate amount of such discount shall be taken into such institution's income semiannually over the same period of time within which interest provided by the loan contract is credited to such institution's income, or over a period not less than the average life of such institution's installment mortgage loans: *Provided,* That, if a mortgage loan is repaid in full with funds derived from sources other than a loan made by such institution, or if a mortgage loan is sold in full without loss to such institution the balance of any such discount remaining deferred in respect to such loan at the time of such repayment or sale may then be credited to such institution's income: *And provided further,* That, if a construction loan made by an insured institution is repaid or refinanced in whole or in part by a mortgage loan made by such institution on the security of property which was security for the construction loan, the deferred portion of any such discount charged or received for or in connection with that part of the construction loan so repaid or refinanced shall be deemed to be discount charged or received for or in connection with the loan by means of which such construction loan is so repaid or refinanced, shall continue as a credit to deferred income on such institution's books, and shall be taken into such institution's income semiannually in a proportionate amount over the same period of time within which interest provided by the repaying or refinancing loan contract is credited to income, or over a period not less than the average life of such institution's installment mortgage loans. When an insured institution sells real estate owned by it, such institution's records shall disclose the book value of such real estate at the time of such sale and the price at which it is sold. If such price is in excess of such book value, such part of the excess as is not received by the institution in cash at the time of sale shall be deferred and credited to an account descriptive of unearned profit on real estate sold; at the end of each accounting period thereafter, until the excess applicable to the transaction has been eliminated, such account may be charged an amount not greater than the reduction in the unpaid balance of the contract or purchase money mortgage loan during such period and an amount equal to such charge may concurrently be credited to such institution's income or to its reserves for losses.

(c) *Loss or discount on mortgage loans sold.* An insured institution that sells a mortgage loan at a loss or at a discount shall charge such loss or discount to the balance of any discount which was charged or received for or in connection with the making or acquisition of such loan and which remains deferred at the time of such sale. Any loss or discount in excess of such balance shall be charged to such institution's net income for such period, to undivided profits, or to reserves.

(d) *Definition of terms.* For the purposes of this section the term 'mortgage loan' means any loan on the security of real estate; the term 'installment mortgage loan' means any mortgage loan that is repayable in regular periodic payments, equal or unequal, sufficient to retire the debt, interest and principal, within the contract period; and the term 'non-installment mortgage loan' means any mortgage loan that is not an installment mortgage loan."

(Secs. 402, 403, 48 Stat. 1256, 1257, as amended; 12 U.S.C. 1725, 1726. Reorg. Plan. No. 3 of 1947, 12 F.R. 4981, 3 CFR 1947 Supp.)

By the Federal Home Loan Bank Board.

[SEAL] HARRY W. CAULSEN,
Secretary.

[F.R. Doc. 60–3070; Filed, Apr. 4, 1960; 8:47 a.m.]

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

Department of State

Effective upon publication in the FEDERAL REGISTER, paragraph (a)(17) of § 6.302 is amended as set out below.

§ 6.302 Department of State.

(a) *Office of the Secretary.* * * *

(17) Special Assistant to the Secretary.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] MARY V. WENZEL,
Executive Assistant.

[F.R. Doc. 60–3071; Filed, April 4, 1960; 8:48 a.m.]

PART 20—RETENTION PREFERENCE REGULATIONS FOR USE IN REDUCTIONS IN FORCE

Invalidation of Notices

Paragraph (g) of § 20.6 is amended as set out below.

§ 20.6 Notice to employees.

* * * * *

(g) *Invalidation of notices.* A general notice or other indefinite notice that is not followed by a definite notice, or renewed as an indefinite notice, within thirty (30) days, is thereafter invalid as a notice of proposed action in a reduction in force. Any notice becomes invalid if it is not followed by the action specified by its terms, or by the terms of an amendment to the notice made before the action is taken, or by action less severe than that specified by its terms.

(Secs. 11, 19, 58 Stat. 390, 391; 5 U.S.C. 860, 868)

UNITED STATES CIVIL SERVICE COMMISSION,
MARY V. WENZEL,
Executive Assistant.

[F.R. Doc. 60-3072; Filed, April 4, 1960; 8:48 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

SUBCHAPTER A—PROCEDURES, RULES OF PRACTICE, AND ORDERS

[Docket 7580 c.o.]

PART 13—PROHIBITED TRADE PRACTICES

Fur City Associates, Inc., et al.

Subpart—Concealing, obliterating, or removing law required and informative marking: § 13.512 *Fur products tags or identification.* Subpart—Misbranding or mislabeling: § 13.1185 *Composition;* § 13.1185-30 *Fur Products Labeling Act;* § 13.1280 *Price.* Subpart—Misrepresenting oneself and goods—Business status, advantages or connections: Prices: § 13.1805 *Exaggerated as regular and customary;* § 13.1810 *Fictitious marking.* Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1845 *Composition:* § 13.1845-30 *Fur Products Labeling Act;* § 13.1865 *Manufacture or preparation:* § 13.1865-40 *Fur Products Labeling Act;* § 13.1886 *Quality, grade or type.*

(Sec. 6, 38 Stat. 722; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; sec. 8, 65 Stat. 719; 15 U.S.C. 45, 69f) [Cease and desist order, Fur City Associates, Inc., et al., Pittsburgh, Pa., Docket 7580, March 9, 1960]

In the Matter of Fur City Associates, Inc., a Corporation, and Sam Simon and Mack Davis, Individually and as Officers of Said Corporation

This proceeding was heard by a hearing examiner on the complaint of the Commission charging Pittsburg furriers with violating the Fur Products Labeling Act by removing required labels from fur products prior to ultimate sale; by labeling certain furs with names of animals other than those which produced them and with excessive prices represented thereby as the usual selling prices; by advertising in newspapers which failed to disclose names of animals producing certain furs, or that some products contained artificially colored or cheap or waste fur; and by failing in other respects to comply with labeling, invoicing, and advertising requirements.

Based on a consent order, the hearing examiner made his initial decision and order to cease and desist which became on March 9 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That Fur City Associates, Inc., a corporation, and its officers, and Sam Simon and Mack Davis, individually and as officers of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction into commerce, or the sale, advertising, or offering for sale in commerce, or the transportation or distribution in commerce of fur products, or in connection with the sale, advertising, offering for sale, transportation, or distribution of fur products which are made in whole or in part of fur which has been shipped and received in commerce, as "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Misbranding fur products by:

A. Failing to affix labels to fur products showing in words and figures plainly legible all of the information required to be disclosed by each of the subsections of section 4(2) of the Fur Products Labeling Act.

B. Falsely or deceptively labeling or otherwise identifying any such product as to the name or names of the animal or animals that produced the fur from which such product was manufactured.

C. Falsely or deceptively labeling or otherwise identifying such products as to the regular prices thereof by any representation that the regular or usual prices of such products are any amount in excess of the prices at which respondents have usually and customarily sold such products in the recent regular course of business.

D. Setting forth on labels affixed to fur products:

(1) Information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations thereunder mingled with non-required information.

(2) Information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder in handwriting.

E. Failing to disclose the names of the pieces of which fur products are composed.

F. Failing to set forth separately on labels attached to fur products composed of two or more sections containing different furs, the information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder with respect to the fur comprising each section.

G. Failing to set forth on labels the item number or mark assigned to a fur product.

2. Removing, or causing the removal or participating in the removal of, labels required to be affixed to fur products, prior to the time fur products are sold and delivered to the ultimate purchaser of such products.

3. Falsely or deceptively invoicing fur products by:

A. Failing to furnish to purchasers of fur products an invoice showing all the information required to be disclosed by each of the subsections of section 5(b)(1) of the Fur Products Labeling Act.

B. Failing to set forth on invoices the item number or mark assigned to a fur product.

4. Falsely or deceptively advertising fur products through the use of any advertisement, representation, public announcement, or notice which is intended to aid, promote or assist, directly or indirectly, in the sale, or offering for sale of fur products, and which:

A. Fails to disclose:

(1) The name or names of the animal or animals producing the fur or furs contained in the fur products, as set forth in the Fur Products Name Guide, and as prescribed under the Rules and Regulations;

(2) That the fur product contains or is composed of bleached, dyed or otherwise artificially colored fur, when such is the fact;

(3) That the fur product is composed in whole or in substantial part of paws, tails, bellies or waste fur, when such is the fact.

B. Fails to set forth the information required under section 5(a) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder in type of equal size and conspicuousness and in close proximity with each other.

By "Decision of the Commission," etc., report of compliance was required as follows:

It is ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: March 9, 1960.

By the Commission.

[SEAL] ROBERT M. PARRISH,
Secretary.

[F.R. Doc. 60-3045; Filed, April 4, 1960; 8:45 a.m.]

[Docket 7622 c.o.]

PART 13—PROHIBITED TRADE PRACTICES

House of Arnold, Inc., and Louis Aronovitz

Subpart—Invoicing products falsely: § 13.1108 *Invoicing products falsely;*

§ 13.1108–45 *Fur Products Labeling Act.* Subpart—Misbranding or mislabeling § 13.1212 *Formal regulatory and statutory requirements* § 13.1212–30 *Fur Products Labeling Act.* Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1845 *Composition:* § 13.1845–30 *Fur Products Labeling Act;* § 13.1852 *Formal regulatory and statutory requirements:* § 13.1852–35 *Fur Products Labeling Act.*

(Sec. 6, 38 Stat. 722; 15 U.S.C. 46. Interpret or apply Sec. 5, 38 Stat. 719, as amended; Sec. 8, 65 Stat. 719; 15 U.S.C. 45, 69f) [Cease and desist order, House of Arnold, Inc., et al., Philadelphia, Pa., Docket 7622, March 9, 1960]

In the Matter of House of Arnold, Inc., a Corporation Formerly Known as Germantown Fur, Inc., and Louis Aronovitz, Individually and as an Officer of Said Corporation

This proceeding was heard by a hearing examiner on the complaint of the Commission charging a Philadelphia, Pa., furrier with violating the Fur Products Labeling Act by failing to use the terms "Persian Lamb" and "Dyed Broadtail-Processed Lamb" on tags and invoices as required, and to comply in other respects with labeling and invoicing requirements.

Based on a consent order, the hearing examiner made his initial decision and order to cease and desist which became on March 9 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That House of Arnold, Inc., a corporation, formerly known as Germantown Fur, Inc., and its officers, and Louis Aronovitz, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, manufacture for introduction, or the sale, advertising or offering for sale in commerce, of fur products or in connection with the sale, manufacture for sale, advertising, offering for sale, transportation or distribution of fur products which have been made in whole or in part of fur which has been shipped and received in commerce, as "commerce", "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

1. Misbranding fur products by:

A. Failing to affix labels to fur products showing in words and figures plainly legible all of the information required to be disclosed by each of the subsections of section 4(2) of the Fur Products Labeling Act.

B. Setting forth on labels affixed to fur products:

(1) Information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder in abbreviated form.

(2) Information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder mingled with nonrequired information.

C. Failing to set forth the term "Persian Lamb" in the manner required.

D. Failing to set forth the information required under section 4(2) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder in the required sequence.

2. Falsely or deceptively invoicing fur products by:

A. Failing to furnish to purchasers of fur products an invoice showing all the information required to be disclosed by each of the subsections of section 5(b)(1) of the Fur Products Labeling Act.

B. Setting forth information required under section 5(b)(1) of the Fur Products Labeling Act and the rules and regulations promulgated thereunder in abbreviated form.

C. Failing to set forth the term "Persian Lamb" in the manner required.

D. Failing to set forth the term "Dyed Broadtail Processed Lamb" in the manner required.

E. Failing to set forth the item number or mark assigned to a fur product.

By "Decision of the Commission", etc., report of compliance was required as follows:

It is ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

Issued: March 9, 1960.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F.R. Doc. 60-3046; Filed, April 4, 1960; 8:45 a.m.]

[Docket 7401 o.]

PART 13—PROHIBITED TRADE PRACTICES

Hunter Mills Corp., et al.

Subpart—Furnishing false guaranties: § 13.1053 *Furnishing false guaranties:* § 1053–90 *Wool Products Labeling Act.* Subpart—Misbranding or mislabeling: § 13.1185 *Composition:* § 13.1185–90 *Wool Products Labeling Act;* § 13.1212 *Formal regulatory and statutory requirements:* § 13.1212–90 *Wool Products Labeling Act.* Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1852 *Formal regulatory and statutory requirements:* § 13.1852–80 *Wool Products Labeling Act.*

(Sec. 6, 38 Stat. 722; 15 U.S.C. 46. Interpret or apply Sec. 5, 38 Stat. 719, as amended, Secs. 2–5, 54 Stat. 1128–1130; 15 U.S.C. 45, 68–68(c)) [Cease and desist order, Hunter Mills Corp., et al., Woodside, Long Island, N.Y., Docket 7401, February 17, 1960]

In the Matter of Hunter Mills Corporation, a corporation, William Trakinski, and Simon Trakinski, Individually and as Officers of Said Corporation

This proceeding was heard by a hearing examiner on the complaint of the Commission charging manufacturers in Woodside, Long Island, N.Y. with violating the Wool Products Labeling Act by labeling as "100 percent reprocessed wool" and "100 percent reused wool", woolen interlinings which contained a substantial quantity of non-woolen fibers, failing to label certain of said wool products as required, and furnishing false guaranties that some of such products were not misbranded.

Having heard the matter on cross-appeals from the initial decision, the Commission modified the initial decision in accordance with its accompanying opinion, and, as thus modified, on February 17, adopted it as the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That the respondents, Hunter Mills Corporation, a corporation, and its officers, and William Trakinski and Simon Trakinski, individually and as officers of said corporation, and the respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the introduction, or manufacture for introduction, into commerce, or the offering for sale, sale, transportation, or distribution in commerce, as "commerce" is defined in the Federal Trade Commission Act and in the Wool Products Labeling Act of 1939, of woolen batting, or other "wool products," as such products are defined in and subject to said Wool Products Labeling Act, do forthwith cease and desist from misbranding such products by:

1. Falsely or deceptively stamping, tagging, labeling or otherwise identifying such products as to the character or amount of the constituent fibers contained therein; and

2. Failing to affix labels to such products showing each element of information required to be disclosed by section 4(a)(2) of the Wool Products Labeling Act of 1939.

It is further ordered, That said respondents and their representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of woolen batting, or other "wool products," as such products are defined in and subject to the Wool Products Labeling Act of 1939, do forthwith cease and desist from furnishing false guaranties that any such products are not misbranded under the provisions of the aforesaid Act, with reason to believe the wool product falsely guaranteed may be introduced, sold, transported, or distributed in commerce.

It is further ordered:

1. That to the extent the respondents' motion to strike, filed July 10, 1959, requests the hearing examiner to strike from the record Commission Exhibit 5–D and the testimony of the witness Masterson, relating to the results of tests performed at the Better Fabrics Testing Bureau, Inc., as shown by said exhibit, the motion be granted; otherwise, it is denied;

2. That the respondents' motion to dismiss the complaint as to the respondents, William Trakinski and Simon Trakinski, also filed July 10, 1959, be denied.

By "Final Order", report of compliance was required as follows:

It is further ordered, That, the respondents, Hunter Mills Corporation, a corporation, and William Trakinski and Simon Trakinski, individually and as officers of said corporation, shall, within sixty (60) days after service upon them of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with the foregoing order to cease and desist.

Issued: February 17, 1960.

By the Commission, Commissioner Anderson not participating.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F.R. Doc. 60-3047; Filed, April 4, 1960; 8:45 a.m.]

[Docket 7595 c.o.]

PART 13—PROHIBITED TRADE PRACTICES

Lee Rubber & Tire Corp.

Subpart—Furnishing false guaranties: § 13.1055 *Furnishing means and instrumentalities of misrepresentation or deception.* Subpart—Advertising falsely or misleadingly: § 13.175 *Quality of product or service.* Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1886 *Quality, grade or type.*

(Sec. 6, 38 Stat. 722; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, Lee Rubber & Tire Corp., Conshohocken, Pa., Docket 7595, March 8, 1960]

This proceeding was heard by a hearing examiner on the complaint of the Commission charging a Conshohocken, Pa. distributor of automobile tires and tubes to franchised dealers for resale to the public with representing falsely, in advertising in magazines of national circulation and in advertising mats and other advertising material furnished its dealers, that its premium "Ultra Deluxe" tires and its second line "Advanced Super Deluxe" were of equal quality and both were premium or first line category tires, and with reducing the quality of named tires without disclosure of that fact.

After acceptance of an agreement containing a consent order the hearing examiner made his initial decision and order to cease and desist which became on March 8 the decision of the Commission.

The order to cease and desist is as follows:

It is ordered, That respondent, Lee Rubber & Tire Corporation, a corporation, and its officers, agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale, and distribution of its motor vehicle tires and tubes, or any other merchandise, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Representing, directly or by implication, by the use of trade names or otherwise that respondent's tires of different category quality are of the same or equal quality.

2. Reducing the quality of motor vehicle tires so as to put them in a lower quality category without changing the trade name designation unless a clear and conspicuous disclosure is made of such reduction in quality.

3. Furnishing any means or instrumentality to others by and through which they may mislead the public, by the use of trade names or otherwise, that tires of different category quality are the same or of equal quality and by offering for sale tires of reduced quality category, bearing a trade name originally applied to a tire of higher quality category, without making a clear and conspicuous disclosure of such reduction in the quality of the said tires.

By "Decision of the Commission", etc., report of compliance was required as follows:

It is ordered, That the respondent herein shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with the order to cease and desist.

Issued: March 8, 1960.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F.R. Doc. 60-3048; Filed, Apr. 4, 1960; 8:45 a.m.]

PART 14—ADMINISTRATIVE INTERPRETATIONS

Identification of Metallically Weighted Silk Fiber

§ 14.4 Identification of metallically weighted silk fiber.

(a) The following requirements for disclosure of metallic weighting are based on, and interpretive of, section 5(a) of the Federal Trade Commission Act, as amended, and are to be construed as supplementing the fiber identification requirements of the Textile Fiber Products Identification Act and the rules and regulations issued thereunder.

(b) In the case of yarn and fabric containing metallically weighted silk fiber, the fiber identification required by the Textile Fiber Products Identification Act (72 Stat. 1717; 15 U.S.C. 70), and the rules and regulations issued thereunder, shall be immediately accompanied by a clear and non-deceptive disclosure of the fact that the silk fiber present is weighted, with specification of the percentage of the total weight of the silk fiber content in its finished state which the weighting represents: *Provided, however,* That specification of the percentage shall be subject to a tolerance not exceeding 3 percent when the deviation is not intentional and reasonable effort has been made to determine and accurately state the precise percentage; and, *Provided further,* That in lieu of a statement of the precise percentage, a maximum percentage may be stated when the precise percentage does not exceed such maximum.

(c) The disclosure of such weighting, in accordance with the above requirements, shall be on the same label on which appears the fiber identification required by the Textile Fiber Products Identification Act and the rules and regulations issued thereunder, and shall appear in immediate conjunction with any representation in advertisements, sales promotional literature, or invoices, which relate to fiber content. The following are examples of disclosure of metallic weighting which will be considered as meeting the requirements of this Administrative Interpretation:

When the fiber content is wholly silk, and the weighting constitutes 50 percent of the weight of the fiber content in its finished state:

"Fiber content 100 percent silk, weighted 50 percent"; or

"Fiber content all silk, weighted 50 percent."

When the fiber content is of a mixture of 50 percent silk and 50 percent rayon, and the weighting constitutes not more than 25 percent of the silk fiber in its finished state:

"Fiber content 50 percent silk (weighted not to exceed 25 percent), and 50 percent rayon."

(Sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45)

Issued: March 31, 1960.

By direction of the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F.R. Doc. 60-3085; Filed, Apr. 4, 1960; 8:49 a.m.]

SUBCHAPTER B—TRADE PRACTICE CONFERENCE RULES

PART 135—SILK INDUSTRY

Rescission of Trade Practice Rules

Whereas, the Commission promulgated trade practice rules for the Silk Industry on November 4, 1938; and

Whereas, the Textile Fiber Products Identification Act (72 Stat. 1717; 15 U.S.C. 70) and the rules and regulations issued thereunder, effective as of March 3, 1960, and the Administrative Interpretation Relating To Identification of Metallically Weighted Silk Fiber which has, this date, been issued by the Commission, so limit the application of the above-mentioned trade practice rules as to obviate their revision; and

Whereas, the rescission of the trade practice rules for the Silk Industry will not affect the Commission's jurisdiction under the statutes upon which such trade practice rules are based;

It is ordered, That the trade practice rules for the Silk Industry be and the same are hereby rescinded.

By the Commission.

[SEAL] ROBERT M. PARRISH, *Secretary.*

[F.R. Doc. 60-3086; Filed, Apr. 4, 1960; 8:49 a.m.]

PART 151—LINEN INDUSTRY

PART 204—RAYON AND ACETATE TEXTILE INDUSTRY

Rescissions of Trade Practice Rules

Whereas, the Commission promulgated trade practice rules for the Linen Industry on February 1, 1941, and the Rayon and Acetate Textile Industry on December 11, 1951; and

Whereas, the Textile Fiber Products Identification Act (72 Stat. 1717; 15 U.S.C. 70) and the rules and regulations issued thereunder, effective as of March 3, 1960, so limit the application of the above-mentioned trade practice rules as to obviate their revision; and

Whereas, the rescissions of the trade practice rules for the Linen Industry and the Rayon and Acetate Textile Industry will not affect the Commission's jurisdiction under the statutes upon which such trade practice rules were based;

It is ordered, That the trade practice rules for the Linen Industry and the Rayon and Acetate Textile Industry be and the same are hereby rescinded.

By the Commission.

[SEAL] ROBERT M. PARRISH,
Secretary.

[F.R. Doc. 60-3087; Filed, Apr. 4, 1960; 8:49 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

PART 120—TOLERANCES AND EXEMPTIONS FROM TOLERANCES FOR PESTICIDE CHEMICALS IN OR ON RAW AGRICULTURAL COMMODITIES

Extension of Effective Date of Public Law 86-139 as it Affects Section 408 of the Federal Food, Drug, and Cosmetic Act

The Commissioner of Food and Drugs, pursuant to authority provided in Public Law 86-139 (73 Stat. 288, 7 U.S.C. 135 et seq.) and delegated to him by the Secretary of Health, Education, and Welfare (22 F.R. 1045, 23 F.R. 9500), on March 5, 1960 (25 F.R. 1943) extended the effective date of Public Law 86-139 as it affected section 408 of the Federal Food, Drug, and Cosmetic Act for certain specified uses of certain nematocides, plant regulators, defoliants, or desiccants. The list published on that date is hereby amended by adding thereto certain items. As amended, § 120.35 reads as follows:

§ 120.35 Extension of effective date of Public Law 86-139 as it affects section 408 of the Federal Food, Drug, and Cosmetic Act.

To permit additional data to be secured in support of petitions for tolerances or exemptions from the requirement of a tolerance for residues that remain from use of the pesticide chemicals listed in this section, to permit the Food and Drug Administration to process such petitions, and on the basis of available scientific data which indicate that no undue risk to the public health is involved and on the basis of a finding that conditions exist that make necessary the prescribing of an additional period of time for obtaining tolerances, or for granting exemptions from tolerances, the following pesticide chemicals may be used in or on the specified raw agricultural commodities for the purpose specified, for a period of 1 year from March 6, 1960, or until regulations shall have been issued establishing tolerances or exemptions from the requirement of tolerances in accordance with section 408 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 348(a)), whichever occurs first:

Product [1]	*Specified uses or restrictions*
Calcium carbide to produce acetylene	On pineapples to induce flowering.
Calcium cyanamide	On cotton to defoliate.
p-Chlorophenoxy acetic acid	On bean seeds in sprout production, to eliminate embryonic root development. On tomato blossoms to enhance fruit set.
2,4-Dichlorophenoxy acetic acid	On potatoes to intensify color.
Ethylene	On pineapples to induce flowering. On citrus fruit to bring out color. On bananas and pineapples to hasten ripening.
Isopropyl *N*-(3-chlorophenyl) carbamate.	On potatoes to inhibit sprouting.
Isopropyl ester of 2,4-dichlorophenoxy acetic acid.	On potatoes for better skin set and to enhance color.
Methyl ester of naphthalene acetic acid	On potatoes to inhibit sprouting.
Naphthalene acetamide	On apples, pears, and prunes to thin fruit. On apples and pears to control fruit drop.
Naphthalene acetic acid [2]	Blossom spray for thinning fruit.
Sodium salt of α-naphthalene acetic acid.	On pineapples to induce flowering. On fruit to reduce fruit set and to control fruit drop.
Sodium salt of β-naphthoxy acetic acid	On pineapples to delay maturation.
2,3,5,6-Tetrachloronitrobenzene	On potatoes to inhibit sprouting.
Tributyl phosphorotrithioite	On cotton as defoliant.
2,4,5-Trichlorophenoxy acetic acid	To thin fruit and control fruit drop.
2,4,5-Trichlorophenoxy propionic acid or its triethanolamine salt.	Blossom spray for thinning fruit and on fruits to prevent premature harvest drop.

[1] Tolerances for residues of maleic hydrazide were established by an order published in the FEDERAL REGISTER of March 11, 1960 (25 F.R. 2084).

[2] A tolerance of 1 part per million has already been established for residues from uses to prevent drop of apples, pears, and quinces.

Notice and public procedure are not necessary prerequisites to the promulgation of this order, and I so find, since extensions of time under certain conditions, for the effective date of the Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959 were contemplated by the statute as a relief of restrictions on the agricultural industry.

Effective date. This order shall be effective on the date of signature.

(Sec. 701(a), 52 Stat. 1055, as amended; 21 U.S.C. 371(a). Applies sec. 3(b), Public Law 86-139 (73 Stat. 288; 7 U.S.C. 135 et seq.))

Dated: March 29, 1960.

[SEAL] GEO. P. LARRICK,
Commissioner of Food and Drugs.

[F.R. Doc. 60-3069; Filed, Apr. 4, 1960; 8:47 a.m.]

PART 121—FOOD ADDITIVES

Subpart A—Definitions and Procedural and Interpretative Regulations

EXTENSION OF EFFECTIVE DATE OF STATUTE FOR CERTAIN SPECIFIED FOOD ADDITIVES

The Commissioner of Food and Drugs, pursuant to the authority provided in the Federal Food, Drug, and Cosmetic Act (sec. 6(c), Public Law 85-929; 72 Stat. 1788; 21 U.S.C., note under sec. 342) and delegated to him by the Secretary of Health, Education, and Welfare (23 F.R. 9500), hereby authorizes the use in foods of certain additives for which tolerances have not yet been established or petitions therefor denied. *It is ordered,* That the food additive regulations (24 F.R. 2434, 25 F.R. 343, 404, 1074, 1727, 1944) be amended by inserting in § 121.86 the following new items:

§ 121.86 Extension of effective date of statute for certain specified food additives as direct additives to food.

On the basis of data supplied in accordance with § 121.85 and findings that no undue risk to the public health is involved and that conditions exist that make necessary the prescribing of an additional period of time for obtaining tolerances or denials of tolerances or for granting exemptions from tolerances, the following additives may be used in food, under certain specified conditions, for a period of 1 year from March 6, 1960, or until regulations shall have been issued establishing or denying tolerances or exemptions from the requirement of tolerances, in accordance with section 409 of the act, whichever occurs first:

Product	Limits	Specified uses or restrictions
Aluminum stearate	25 parts per million	As a constituent of chewing gum base.
Calcium disodium-ethylenediamine tetraacetic acid dihydrate.	25 parts per million	As a sequestrant in malt beverages.
Do	75 parts per million	As a sequestrant in canned pineapple chunks (nonstandardized article).
Calcium stearyl-2-lactylate	0.5 percent	In egg white solids.
Do	0.05 percent	In liquid and frozen egg whites.
Do	0.35 percent	In nonstandardized bakery products.
Disodium dihydrogen-ethylenediamine tetraacetic acid.	75 parts per million	As a sequestrant in canned pineapple chunks (nonstandardized article).
Fat (animal and vegetable), hydrolyzed (free of toxic impurities).	12.5 percent	In feed for livestock and poultry.
Hydrogen cyanide	25 parts per million	As a residue from the use of hydrogen cyanide as a fumigant.
Isobutylene-isoprene		As a constituent of chewing gum base.
Mineral oil	3.3 parts per million	As a constituent of defoaming agent used in manufacture of beet sugar.
Polyethylene glycol 400 monooleate	10 percent of fat content	To emulsify the fat and as defoaming agent in calf-feed milk replacer.
Polysorbate 80		As solubilizer in essential oils.
Sodium lauryl sulfate	125 parts per million	As a stabilizer in liquid and frozen egg whites.
Do	1,000 parts per million	As a stabilizer in egg white solids.
Sodium nitrite	10 parts per million	In cured tuna fish.
Do	20 parts per million	In canned pet animal food containing fish and/or meat.
Sodium dodecylbenzene sulfonate	2 parts per million	In fruits and vegetables as residue from its use as a detergent.
di-Starch phosphate (amylopectin reacted with sodium trimetaphosphate).	5 percent	As a modified starch in food.
Trichloroethylene	10 parts per million	As a residual solvent in manufacture of decaffeinated coffee.
Ultramarine blue	0.50 percent	In salt for animal feeds.

Notice and public procedure are not necessary prerequisites to the promulgation of this order, and I so find, since extensions of time, under certain conditions, for the effective date of the food additives amendment to the Federal Food, Drug, and Cosmetic Act were contemplated by the statute as a relief of restrictions on the food-processing industry.

Effective date. This order shall become effective as of the date of signature.

(Sec. 701, 52 Stat. 1055, as amended; 21 U.S.C. 371. Interpret or apply 72 Stat. 1788; 21 U.S.C., note under sec. 342)

Dated: March 28, 1960.

[SEAL] GEO. P. LARRICK,
Commissioner of Food and Drugs.

[F.R. Doc. 60-3068; Filed, Apr. 4, 1960; 8:47 a.m.]

Title 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T.D. 55087]

PART 10—ARTICLES CONDITIONALLY FREE, SUBJECT TO A REDUCED RATE, ETC.

Pumice Stone

MARCH 30, 1960.

Public Law 86-325, approved September 21, 1959, enacted paragraph 1823, Tariff Act of 1930, to provide for the entry free of duty of pumice stone imported to be used in the manufacture of concrete masonry products, such as building blocks, bricks, tiles, and similar forms, under such regulations as the Secretary of the Treasury shall prescribe. To prescribe regulations governing such importations, Part 10 of the Customs Regulations is hereby amended by adding the following new center head and section:

PUMICE STONE

§ 10.113 Pumice stone to be used in the manufacture of concrete masonry products, such as building blocks, bricks, tiles, and similar forms.

(a) Pumice stone, when entered, or withdrawn from warehouse, for consumption, after October 21, 1959, to be used in the manufacture of concrete masonry products, such as building blocks, bricks, tiles, and similar forms, may be released without the payment of duties, if there is filed with the entry or withdrawal a declaration of a person having knowledge of the facts that the pumice stone was imported to be used in the manufacture of concrete masonry products, such as building blocks, bricks, tiles, and similar forms. Liquidation of the entry covering the pumice stone shall be suspended until the proof of use provided for in paragraph (b) of this section is furnished or the time allowed for the production thereof has expired.

(b) Within 1 year from the date of the entry (in the case of warehouse entries as well as consumption entries) or any extension of that period as hereinafter provided for, the importer shall furnish proof of use satisfactory to the collector that the imported pumice stone has been used in the manufacture of concrete masonry products, such as building blocks, bricks, tiles, or similar forms. The collector may, upon written application of the importer before the expiration of the initial or any extended period, extend the period for further periods of 1 year each, but not to exceed 5 years from the date of entry.

(c) When proof of use is not furnished within the 1 year period or any extension thereof provided for in paragraph (b) hereof, the entry shall be liquidated with the assessment of duty at the appropriate rate, if any.

(Secs. 1, 2, 73 Stat. 596, sec. 624, 46 Stat. 759; 19 U.S.C. 1201 (par. 1823), 1624)

[SEAL] D. B. STRUBINGER,
Acting Commissioner of Customs.

Approved: March 28, 1960.

A. GILMORE FLUES,
Acting Secretary of the Treasury.

[F.R. Doc. 60-3075; Filed, Apr. 4, 1960; 8:48 a.m.]

Title 26—INTERNAL REVENUE, 1954

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER D—MISCELLANEOUS EXCISE TAXES

[T.D. 6458]

PART 48—MANUFACTURERS AND RETAILERS EXCISE TAXES

Return and Payment of Retailers Excise Tax by Suppliers in Certain Cases

On December 3, 1959, notice of proposed rule making with respect to regulations under section 6011(c) of the Internal Revenue Code of 1954, as amended, relating to return and payment of retailers excise tax by suppliers in certain cases, was published in the FEDERAL REGISTER (24 F.R. 9674). After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the regulations as so published are hereby adopted, subject to the changes set forth below:

PARAGRAPH 1. The first sentence of paragraph (a)(2)(ii) of § 48.6011(c)-1 is revised.

PAR. 2. The last sentence of paragraph (b)(2) of § 48.6011(c)-1 is revised to read as follows: "If a Type B agreement is proposed, the application also should set forth (i) the general procedure to be followed in offering taxable and nontaxable articles for sale at retail as a unit, including the method of labeling, packaging, or marketing such articles, and (ii) the supplier's estimate of the length of the period for which the proposed agreement will be in effect."

PAR. 3. Paragraph (c)(2)(iv) of § 48.6011(c)-1 is revised.

PAR. 4. Paragraph (c)(2)(v) of § 48.6011(c)-1 is revised.

PAR. 5. Paragraph (c)(2)(xii) of § 48.6011(c)-1 is revised.

PAR. 6. Paragraph (c)(3)(ii) of § 48.6011(c)-1 is revised.

PAR. 7. Paragraph (d)(1) of § 48.6011(c)-1 is revised by adding at the end thereof the following sentence: "The provisions of this paragraph have no application in the case of a retailer who is a house-to-house salesman."

PAR. 8. Paragraph (d)(2)(iv) of § 48.6011(c)-1 is revised.

PAR. 9. Paragraph (f)(1) of § 48.6011(c)-1 is revised.

PAR. 10. Paragraph (f)(4)(i) of § 48.6011(c)-1 is revised by inserting "(other

than a house-to-house salesman)" after the word "retailer" where such word first appears in such paragraph.

PAR. 11. The first sentence of paragraph (g) (1) of § 48.6011(c)-1 is revised.

(Sec. 7805, I.R.C. 1954; 68A Stat. 917; 26 U.S.C. 7805)

[SEAL] DANA LATHAM,
Commissioner of Internal Revenue.

Approved: March 31, 1960.

FRED C. SCRIBNER, Jr.,
Acting Secretary of the Treasury.

The regulations adopted under section 6011(c) of the Internal Revenue Code of 1954 read as follows:

AUTHORITY: § 48.6011(c) issued under sec. 7805, I.R.C. 1954; 68A Stat. 917; 26 U.S.C. 7805.

§ 48.6011(c) Statutory provisions; return of retailers excise tax by suppliers.

SEC. 6011. *General requirement of return, statement, or list.* * * *

(c) *Return of retailers excise taxes by suppliers*—(1) *General rule.* Under regulations prescribed by the Secretary or his delegate, the Secretary or his delegate may enter into an agreement with any supplier with respect to any retailers excise tax imposed by chapter 31 (not including the taxes imposed by section 4041), whereby such supplier will be liable to return and pay such tax (for the period for which such agreement is in effect) for the person who (without regard to this subsection) is required to return and pay such tax. Except as provided in the regulations prescribed under this subsection—

(A) All provisions of law (including penalties) applicable in respect of the person who (without regard to this subsection) is required to return and pay the tax shall apply to the supplier entering into the agreement, and

(B) The person who (without regard to this subsection) is required to return and pay such tax shall remain subject to all provisions of law (including penalties) applicable in respect of such person.

(2) *Limitations on agreement authority in the case of house-to-house salesmen.* In the case of sales, by house-to-house salesmen, of articles subject to tax under chapter 31 (other than section 4041) which are supplied by a manufacturer or distributor, if the manufacturer or distributor establishes the retail list price at which such articles are to be sold, the Secretary or his delegate shall not, as a condition to entering into an agreement under paragraph (1), require—

(A) That such house-to-house salesmen execute powers of attorney making such manufacturer or distributor an agent for the return and payment of such tax,

(B) That the manufacturer or distributor make separate returns with respect to each such house-to-house salesman, or

(C) That the manufacturer or distributor assume any liability for tax on articles supplied by any person other than such manufacturer or distributor.

[Sec. 6011(c) as amended and in effect Jan. 1, 1959]

§ 48.6011(c)-1 Return and payment of retailers excise taxes by suppliers.

(a) *In general.* (1) To the extent authorized in subparagraph (2) of this paragraph, the district director, if he is satisfied that the collection of retailers excise tax will not be adversely affected and that administrative difficulties will not ensue, may enter into an agreement with a supplier with respect to any retailers excise tax imposed by chapter 31 of the Code (other than a tax imposed by section 4041 with respect to diesel fuel or special motor fuels) whereby such supplier shall be liable to return and pay such tax for one or more retailers for the period for which such agreement is in effect. Any such agreement is subject to the provisions of section 6011(c) and the regulations in this section. As used in the regulations in this section:

(i) The term "supplier" includes any person who is a manufacturer, wholesale distributor, jobber, or other middleman;

(ii) The term "retailer" means any person who, without regard to section 6011(c) and the regulations in this section, is required to return and pay the tax;

(iii) The term "taxable article" means any article with respect to which a tax is imposed by any section of chapter 31 other than section 4041; and

(iv) A taxable article is deemed to be supplied by a supplier (*a*) on the date of the invoice of such article by the supplier to his vendee, or (*b*) in the absence of an invoice, on the date of the delivery of such article by the supplier to his vendee or a customer of such vendee, or to a carrier for delivery to such vendee or customer.

(2) (i) An agreement with a supplier may be entered into pursuant to the regulations in this section with respect to taxable articles which are supplied by such supplier directly to one or more retailers, but only if the agreement is made with respect to all taxable articles supplied by such supplier directly to retailers to whom the agreement is to be effective. For purposes of the regulations in this section, such an agreement is referred to as a Type A agreement.

(ii) An agreement with a supplier may be entered into pursuant to the regulations in this section with respect to taxable articles which, together with nontaxable articles, are supplied by such supplier either directly or indirectly to retailers if (*a*) such taxable articles and nontaxable articles are to be sold at retail as a unit, for the purpose of promoting retail sales of any of such articles, (*b*) such method of promoting the sale at retail of such articles as a unit is not intended to be permanent, and (*c*) such taxable articles are so labeled, packaged, or marketed as to show clearly and visibly the name and address of such supplier and the fact that the retailers excise tax will be paid by such supplier.

For purposes of the regulations in this section, such an agreement is referred to as a Type B agreement.

(b) *Application by supplier to enter into agreement.* (1) Application to enter into an agreement provided for in this section should be made by the supplier to the district director with whom the supplier files returns on Form 720, or with whom the supplier would file such returns if any retailers excise tax reportable on Form 720 were imposed on the supplier. The application should be made by letter, and should be accompanied by the original and two copies of the proposed agreement which have been signed by the supplier. See paragraph (c) of this section, relating to the terms of the agreement. If additional information relating to the agreement is desired, the supplier should communicate with the office of the district director.

(2) The application should contain a general description of the supplier's business, the kinds of merchandise sold which are subject to tax under chapter 31 of the Code, his methods of merchandising such articles, the type and approximate number of retailers for whom the supplier proposes to return and pay retailers excise tax, a copy of any previous agreement with, or communication from, the Internal Revenue Service authorizing the supplier to return and pay tax for any retailer, and any other information which the supplier deems pertinent to the proposed agreement. If a Type B agreement is proposed, the application also should set forth (i) the general procedure to be followed in offering taxable and nontaxable articles for sale at retail as a unit, including the method of labeling, packaging, or marketing such articles, and (ii) the supplier's estimate of the length of the period for which the proposed agreement will be in effect.

(3) When an agreement is accepted, a signed copy thereof will be returned by the district director to the supplier.

(c) *Contents of agreement.* (1) An agreement made pursuant to section 6011(c) shall be identified, in a descriptive title or in the first paragraph, as having been made pursuant to section 6011(c) of the Internal Revenue Code. In addition to the provisions prescribed in subparagraph (2) or (3) of this paragraph, the agreement may include other provisions which are agreed upon by the supplier and the district director. No particular form is prescribed for use in entering into such agreements. If printed forms are desired for use in entering into a Type A agreement, the district director will furnish copies of Form 2701 upon request.

(2) Each Type A agreement (see paragraph (a) (2) (i) of this section) shall include the following:

(i) The name and address of the supplier, the identification number (if any) assigned to the supplier for use in connection with depositary receipts, and the title and address of the district director;

(ii) A description, in such detail as may be practicable, of all taxable articles to be supplied by the supplier directly to retailers to whom the agreement is to be effective;

(iii) A statement that the agreement is applicable to all taxable articles inventoried pursuant to subdivision (v) of this subparagraph and to all taxable articles supplied by the supplier directly to a retailer during the period for which the agreement is in effect with respect to such retailer, but is not applicable to any taxable article supplied during such period by the supplier to such retailer indirectly through a middleman or otherwise, or supplied from any other source;

(iv) (*a*) A provision designating the day on which the agreement shall become effective with respect to retailers who are house-to-house salesmen for whom the supplier, prior to such day, has been returning and paying retailers excise tax;

(b) A provision that the period for which the agreement shall be in effect with respect to articles supplied to a particular retailer who is a house-to-house salesman, for whom the supplier has not previously returned and paid retailers excise tax, shall begin on the day designated by the supplier in an oral or written notice in which the supplier informs such retailer of the effect of such agreement with respect to such retailer;

(v) A provision (*a*) that the period for which the agreement shall be in effect with respect to articles supplied to a particular retailer who is not a house-to-house salesman shall begin on the day designated by the supplier in writing on such retailer's statement of consent pursuant to paragraph (d) of this section, and (*b*) that the agreement shall not be in effect with respect to such retailer unless such supplier obtains an inventory of all taxable articles specified in the agreement (exclusive of taxable articles with respect to which liability for the retailers excise tax has been assumed by a person other than such retailer) which are held by the retailer at the first moment of such day, and which were supplied to the retailer by the supplier or by any other person;

(vi) A provision by which the supplier agrees to return and pay retailers excise tax, computed in accordance with the provisions of the agreement, on (*a*) all taxable articles inventoried pursuant to subdivision (v) of this subparagraph, as if sold at retail on the day for which inventoried, and (*b*) all taxable articles supplied by the supplier directly to a retailer during the period for which the agreement is in effect for such retailer, as if such articles were sold at retail on the day on which so supplied;

(vii) A provision setting forth the method to be used in arriving at the tax base which will be used in computing the amount of retailers excise tax for which the supplier is liable pursuant to the agreement;

(viii) A provision by which the supplier agrees that, in the event he has reason to believe that there are facts or circumstances which might warrant a change in the provisions of the agreement relating to the method to be used in arriving at the tax base, he will promptly and fully inform the district director in writing of such facts or circumstances;

(ix) A provision by which the supplier agrees that, except as may be otherwise provided in the agreement or in applicable law or regulations, the supplier shall file one return on Form 720 for each tax-return period, and shall deposit and pay the retailers excise tax due from him by reason of the agreement, in the same manner as if such tax were imposed by law on the supplier as a retailer;

(x) A provision by which the supplier agrees to file with each return on Form 720 a statement showing the amount and kind of tax included in the return for each retailer (other than a retailer who is a house-to-house salesman), and the name and address of such retailer;

(xi) A provision by which the supplier agrees that, in rendering invoices of taxable articles with respect to which the supplier incurs liability under the agreement, he will show such tax as a separately identified amount;

(xii) A provision by which the supplier agrees that, upon request by any retailer (other than a retailer who is a house-to-house salesman) for whom the supplier pays retailers excise tax, the supplier will furnish to such retailer a written statement of the amounts of such tax paid, the dates of payment, and the district director to whom such payments were made; and

(xiii) Appropriate provision for termination of the period for which the agreement shall be in effect, if any provision is desired in addition to the provisions of the regulations in paragraph (f) of this section.

(3) Each Type B agreement (see paragraph (a)(2)(ii) of this section) shall include the following:

(i) The name and address of the supplier, the identification number (if any) assigned to the supplier for use in connection with depositary receipts, and the title and address of the district director;

(ii) A description of (*a*) each taxable article with respect to which the supplier agrees to return and pay retailers excise tax pursuant to the agreement and (*b*) each nontaxable article which will be supplied with such taxable article for retail sale as a unit;

(iii) A description of the manner in which each taxable article will be labeled, packaged, or marketed to show clearly and visibly the name and address of the supplier and the fact that the retailers excise tax will be paid by the supplier;

(iv) A provision by which the supplier agrees to return and pay retailers excise tax on any taxable article described in the agreement, supplied by the supplier to any vendee at any time during the period for which the agreement is in effect, as if such article were sold at retail on the day on which so supplied;

(v) A provision setting forth the tax base, or the method to be used in arriving at the tax base, which will be used in computing the amount of retailers excise tax for which the supplier is liable pursuant to the agreement;

(vi) A provision by which the supplier agrees that, in the event he has reason to believe that there are facts or circumstances which might warrant a change in the provisions of the agreement relating to the tax base to be used, he will promptly and fully inform the district director in writing of such facts or circumstances;

(vii) A provision by which the supplier agrees that, except as may be otherwise provided in the agreement or in applicable law or regulations, the supplier shall file one return on Form 720 for each tax-return period, and shall deposit and pay the retailers excise tax due from him by reason of the agreement, in the same manner as if such tax were imposed by law on the supplier as a retailer;

(viii) Specification of the first day of the period for which the agreement shall be in effect; and

(ix) Appropriate provision for termination of the period for which the agreement shall be in effect, if any provision is desired in addition to the provisions of the regulations in paragraph (f) of this section.

(d) *Consent of retailer.* (1) A Type A agreement (see paragraph (a)(2)(i) of this section) shall be effective with respect to each retailer (i) who furnishes to the supplier a written statement of consent, in duplicate, in accordance with the provisions of this paragraph, and (ii) to whom the supplier returns the duplicate copy of such consent, on which the supplier, pursuant to subparagraph (3) of this paragraph, has entered the date on which the agreement becomes effective with respect to such retailer. The provisions of this paragraph have no application in the case of a retailer who is a house-to-house salesman.

(2) No particular form is prescribed for use in furnishing the written statement of consent. Such statement and the duplicate copy thereof shall be signed and dated by the retailer, and shall include the following:

(i) The names and addresses of the retailer and of the supplier, and the identification number (if any) assigned to the supplier for use in connection with depositary receipts;

(ii) An identification of the agreement under section 6011(c) of the Code between the supplier and the district director;

(iii) The retailer's consent to the return and payment by the supplier, pursuant to such agreement, of retailers excise tax with respect to (*a*) any taxable articles which are inventoried pursuant to paragraph (c)(2)(v) of this section, and (*b*) all taxable articles which are supplied by the supplier directly to the retailer during the period for which the agreement is in effect with respect to such retailer;

(iv) A statement by the retailer that he will retain, as a record required by the regulations in this part, the duplicate copy of the statement of consent which is returned to him by the supplier and which shows the date on which the agreement becomes effective with respect to such retailer; and

(v) A statement of the retailer's understanding that he is relieved from the duty of making returns, deposits, and payments of retailers excise tax only to the extent that such duty is performed by the supplier pursuant to the agreement.

(3) After a retailer's written statement of consent is received by a supplier who has entered into a Type A agreement, the supplier shall enter on the original and duplicate thereof an additional statement, signed and dated by the supplier, specifying the first day of the period for which the agreement is in effect with respect to such retailer. The supplier shall return to the retailer the duplicate copy of the statement of consent in sufficient time so that the retailer will receive it before such first day. (For provisions relating to articles to be inventoried as of the first moment of such day, see paragraph (c)(2)(v) of this section.)

(e) *Effect of agreement.* (1) If, by reason of an agreement entered into pursuant to section 6011(c), a supplier is required to return and pay retailers excise tax, all provisions of law and regulations applicable in respect of retailers shall apply to the supplier, except as otherwise provided in the agreement.

(2) To the extent that a duty which otherwise would be imposed on a retailer is imposed on, and performed by, a supplier pursuant to an agreement under section 6011(c), the retailer shall not be required to perform such duty. Pursuant to section 6011(c)(1)(B) the retailer is not relieved from performance of any such duty which is not performed by the supplier.

(3) Retailers excise tax with respect to a taxable article will not be refunded or credited solely by reason of a difference between the actual retail selling price of such article and the tax base used in accordance with the terms of an agreement made pursuant to section 6011(c) and the regulations in this section. An assessment of such tax will not be made solely by reason of such a difference if such tax base is used in good faith. (For provisions relating to the tax base, see subparagraph (2) (vii) and (viii) and subparagraph (3) (v) and (vi) of paragraph (c) of this section.)

(4) See section 6416(a)(3)(B) and the regulations thereunder whereby, for purposes of certain credits or refunds, either the supplier or the retailer may be treated as the person who paid tax which is paid pursuant to an agreement under section 6011(c).

(f) *Termination of agreement.* (1) An agreement under section 6011(c), by its terms and conditions, may provide for the time and manner of termination of the period for which the agreement shall be in effect. Nothwithstanding any such provision, or in the absence of any such provision, the Commissioner of Internal Revenue or the district director, if he believes that the continuation of an agreement will adversely affect the revenue or will result in administrative difficulties, may terminate the period for which such agreement is in effect, either with respect to all retailers or with respect to one or more designated retailers. Unless the Commissioner or the district director has reason to believe that a delay in any such termination will jeopardize the collection from the supplier of retailers excise tax computed in accordance with the agreement, the Commissioner or the district director shall, before any such termination, (i) send to the supplier a preliminary notice in writing of his intention to terminate, (ii) include in such notice a statement of the reason or reasons for the proposed termination, and (iii) give the supplier a period of 20 days after such notice is sent within which to show cause why such termination should not take effect. The termination of an agreement shall take effect at such time and in such manner as the Commissioner or the district director may state in writing to the supplier.

(2) Unless the period for which a Type B agreement is in effect terminates pursuant to the terms of such agreement, or is terminated pursuant to subparagraph (1) of this paragraph, such period shall terminate at such time as the supplier permanently ceases to supply any article described in such agreement which is so labeled, packaged, or marketed as to show that retailers excise tax with respect to such article will be paid by the supplier. Regardless of the manner in which the period for which a Type B agreement is terminated, the supplier shall at the time of termination notify the district director of such termination. Such notice shall not relieve the supplier from liability for such tax with respect to any article supplied pursuant to such agreement.

(3) Unless otherwise terminated as provided in subparagraph (1) of this paragraph, the period for which a Type A agreement entered into by a supplier is in effect with respect to a retailer may be terminated by the sending of a written notice by the supplier to the retailer, or by the retailer to the supplier. Such termination shall take effect at the close of the last day of the month following the month in which such notice is sent, but such notice shall not relieve the supplier from liability incurred with respect to articles supplied to such retailer on or before such last day. If, at the close of such last day, the agreement no longer is in effect with respect to any retailer, the period for which such agreement is in effect is wholly terminated. Promptly thereafter the supplier shall send written notice to the district director acknowledging the termination of such period and informing the district director of the date of termination.

(4) (i) If the period for which a Type A agreement is in effect with respect to a retailer, (other than a house-to-house salesman) terminates for any reason, and if the supplier has reason to believe that after the last day of such period such retailer will continue to receive taxable articles either from such supplier or from any other person, the supplier shall furnish to such retailer on or before such last day a written statement which shall include the following:

(*a*) The name and address of the supplier and the name and address of the retailer;

(*b*) A description of the manner in which the retailer may identify any taxable articles with respect to which liability is incurred by the supplier (for example, by reference to invoice dates or numbers), as distinguished from taxable articles with respect to which liability is not incurred by the supplier; and

(*c*) Notice to the retailer that a copy of the statement will be furnished to the Internal Revenue Service.

The statement required by this subdivision may be combined, in appropriate circumstances, with the statement furnished by a supplier to a retailer pursuant to subparagraph (3) of this paragraph.

(ii) If a supplier is required by subdivision (i) of this subparagraph to furnish a written statement to a retailer, the supplier shall furnish a copy of such statement to the district director, preferably as an attachment to the first return on Form 720 filed by the supplier after such written statement is furnished to the retailer.

(g) *Effect on other authorizations to suppliers.* (1) In the case of any supplier who, prior to January 1, 1961, has been making returns and payments of tax for one or more retailers under conditions permitted by the Internal Revenue Service, other than pursuant to an agreement under section 6011(c) or an authorization referred to in subparagraph (2) of this paragraph, such permission is terminated as of December 31, 1960, unless, prior to January 1, 1961, such supplier makes application, pursuant to paragraph (b) of this section, to enter into an agreement. If the district director does not enter into such agreement with the supplier, the supplier, in accordance with written notice by the district director, shall discontinue making such returns and payment of tax.

(2) The regulations in this section do not affect any authorization by a taxpayer whereby any person, as agent for such taxpayer under an acceptable power of attorney which has been filed with the Internal Revenue Service, makes a return on Form 720 for a tax-return period in the name of such taxpayer and includes in such return all taxes required to be reported by such taxpayer in such return for such period.

[F.R. Doc. 60-3080; Filed, Apr. 4, 1960; 8:49 a.m.]

Title 43—PUBLIC LANDS: INTERIOR

Chapter I—Bureau of Land Management, Department of the Interior

APPENDIX—PUBLIC LAND ORDERS

[Public Land Order 2073]

[Los Angeles 0165281]

CALIFORNIA

Power Site Restoration No. 519; Revoking Power Site Reserve No. 586 of February 14, 1917

By virtue of the authority vested in the President by section 1 of the act of June 25, 1910 (36 Stat. 847; 43 U.S.C. 141), and pursuant to Executive Order No. 10355 of May 26, 1952, and to determination DA-870-California, issued October 31, 1955, it is ordered as follows:

1. The Executive order of February 14, 1917, which withdrew the following-described lands as Power Site Reserve No. 586, is hereby revoked:

SAN BERNARDINO MERIDIAN

T. 2 S., R. 3 E.,
Sec. 5, E½SW¼ and SE¼;
Sec. 7, N½NE¼, SW¼NE¼, SE¼NW¼, N½SW¼, and SW¼SW¼;
Sec 8. N½N½;
Sec. 9, NW¼NW¼, S½NW¼, and E½SW¼;
Sec. 21, N½NE¼, SE¼NE¼, E½SW¼, N½SE¼, and SW¼SE¼;
Sec. 26, SW¼SW¼;
Sec. 27, W½NW¼, SE¼NW¼, N½SW¼, SE¼SW¼, and S½SE¼;
Sec. 28, N½NE¼ and NE¼NW¼.

The areas described aggregate 1,685 acres.

2. In an order of October 31, 1956, published in the FEDERAL REGISTER of November 7, 1956, at page 8544, as Power Site Cancellation No. 107, the Geological Survey cancelled Power Site Classification No. 256 of July 9, 1930, affecting the following described lands:

SAN BERNARDINO MERIDIAN

T. 1 S., R. 2 E.,
Sec. 23, lots 2, 3, 4, NE¼SW¼, and NW¼SE¼;
Sec. 26, NW¼ and W½SW¼;
Sec. 27, SE¼NE¼ and E½SE¼;
Sec. 34, NE¼NE¼.
T. 2 S., R. 2 E.,
Sec. 12, W½NE¼, SE¼NE¼, NE¼NW¼, and E½SE¼.
T. 2 S., R. 3 E.,
Sec. 4, SW¼ and SW¼SE¼;
Sec. 5, NW¼SW¼;
Sec. 6, lots 3, 4, SW¼NE¼, SE¼NW¼, and N½SE¼;
Sec. 9, NE¼, NE¼NW¼, NW¼SW¼, and SE¼;
Sec. 10, SW¼SW¼;
Sec. 15, W½NW¼ and NW¼SW¼;
Sec. 21, SW¼NE¼;
Sec. 22, E½NE¼, NE¼NW¼, and E½SE¼SE¼;
Sec. 23, SW¼SW¼;
Sec. 26, W½NW¼, N½SW¼, and SE¼SW¼;
Sec. 34, NE¼NE¼;
Sec. 35, SW¼NE¼.
T. 3 S., R. 3 E.,
Sec. 2, W½SE¼ and SE¼SE¼;
Sec. 12, N½SW¼ and SE¼;
Sec. 13, SW¼SW¼;
Sec. 14, E½E½;
Sec. 23, NE¼NE¼;
Sec. 24, N½NE¼.

The areas described aggregate approximately 3,066 acres.

3. The lands are located along the Whitewater River and its tributaries in the lower southern portion of the San Bernardino Mountains of Riverside and San Bernardino Counties. A major part of the lands is inaccessible except by foot, with topography varying from level sloping wash areas through undulating, rolling to rough, broken, mountainous terrain. Soils vary from coarse to loamy sand, and rough to rocky in the mountainous areas. Vegetation is probably juniper-scrub pine at the higher elevations and creosote-desert sage at the lower levels.

4. Portions of the lands are withdrawn for national forest or other purposes, and some are patented.

5. Subject to any valid existing rights, and the requirements of applicable law, the vacant, unappropriate public lands are hereby opened to filing of applications, selections and locations in accordance with the following, the national forest lands being opened to such forms of disposition as may by law be made of such lands:

a. Until 10:00 a.m., on September 27, 1960, the State of California shall have a preferred right of application to select the lands in accordance with and subject to the provisions of subsection (c) of section 2 of the act of August 27, 1958 (72 Stat. 928; 43 U.S.C. 851, 852), and the regulations in 43 CFR. During this period the State may also apply for the reservation to it or to any of its political subdivisions under any law or regulation applicable thereto, of any of the lands required for rights-of-way or materials sites in accordance with the provisions of Section 24 of the Federal Power Act of 1920, as amended.

b. All valid applications under the nonmineral public land laws other than those coming under subparagraph a above, presented at or before 10:00 a.m., on May 4, 1960, will be considered as simultaneously filed at that hour. Any rights under such applications filed thereafter will be governed by the time of filing.

c. Applications under subparagraphs a and b above shall be subject to those from persons having prior existing valid settlement rights, preference rights conferred by existing law, and equitable claims subject to allowance and confirmation.

6. The lands have been open to applications and offers under the mineral leasing laws, and to location under the United States mining laws.

7. Persons claiming preferential consideration must submit evidence of their entitlement.

Inquiries concerning the extent to which the lands described in this order may be subject to application should be addressed to the Manager, Land Office, Bureau of Land Management, Los Angeles, California.

ROGER ERNST,
Assistant Secretary of the Interior.

MARCH 29, 1960.

[F.R. Doc. 60-3053; Filed, Apr. 4, 1960; 8:46 a.m.]

[Public Land Order 2074]

[53169]

WYOMING

Modifying Public Land Order No. 648 of June 5, 1950

By virtue of the authority vested in the President and pursuant to Executive Order No. 10355 of May 26, 1952, it is ordered as follows:

Public Land Order No. 648 of June 5, 1950, which reserved certain lands for the use of the Bureau of Land Management as administrative sites, is hereby modified to the extent necessary to permit an exchange under Section 8 of the act of June 28, 1934 (48 Stat. 1272; 43 U.S.C. 315g) as amended, of the following-described lands:

SALT LAKE MERIDIAN

BRIGHAM CITY TOWNSITE

T. 9 N., R. 2 W.,
Sec. 24, Block 11, Plat A, that part of lot 8, described as follows:

Beginning at the northeast corner of said lot 8, thence South, 225.5 feet; West, 165.0 feet; North, 100.5 feet; East, 60.0 feet; North, 126.0 feet; East, 105.0 feet to the point of beginning.

The tract described contains 0.7 acre. *Provided, however,* That no exchange shall be consummated except in aid of a Federal Land program, without further order by the Secretary of the Interior.

ROGER ERNST,
Assistant Secretary of the Interior.

MARCH 29, 1960.

[F.R. Doc. 60-3054; Filed, Apr. 4, 1960; 8:46 a.m.]

[Public Land Order 2075]

[Nevada 048831]

NEVADA

Withdrawing Lands for Use of Bureau of Indian Affairs (Wildhorse Reservoir)

By virtue of the authority vested in the President and pursuant to Executive Order No. 10355 of May 26, 1852, it is ordered as follows:

Subject to valid existing rights, the following-described public lands are hereby withdrawn from all forms of appropriation under the public land laws, including the mining and mineral leasing laws but not disposals of materials under the act of July 31, 1947 (61 Stat. 681; 30 U.S.C. 601–604), and reserved under jurisdiction of the Bureau of Indian Affairs in aid of a program of land consolidation and for use in the development of recreational facilities in connection with the Wildhorse Reservoir:

MOUNT DIABLO MERIDIAN

T. 44 N., R. 55 E.,
Sec. 29, NW¼NW¼.

Containing 40 acres.

ROGER ERNST,
Assistant Secretary of the Interior.

MARCH 30, 1960.

[F.R. Doc. 60-3055; Filed, Apr. 4, 1960; 8:46 a.m.]

Proposed Rule Making

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Parts 912, 944]

[Docket Nos. AO-29-A11, AO-105-A13]

MILK IN DUBUQUE, IOWA, AND QUAD CITIES MARKETING AREAS

Hearing on Proposed Amendments to Tentative Marketing Agreements and Orders; Postponement

Notice is hereby given that the hearing on proposed amendments to the tentative marketing agreements and to the orders, regulating the handling of milk in the Dubuque, Iowa, and Quad Cities marketing areas originally scheduled to begin at 10:00 a.m., April 6, 1960, in the Fort Armstrong Hotel, Rock Island, Illinois, (25 F.R. 2057) is hereby postponed to May 5, 1960. The hour and place for the hearing is not changed.

Done at Washington, D.C., this 30th day of March 1960.

F. R. BURKE,
Acting Deputy Administrator.

[F.R. Doc. 60-3082; Filed, Apr. 4, 1960; 8:49 a.m.]

[7 CFR Part 947]

[Docket No. AO-313]

MILK IN SUBURBAN ST. LOUIS MARKETING AREA

Notice of Revised Recommended Decision and Opportunity To File Written Exceptions to Proposed Marketing Agreement and Order

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of the filing with the Hearing Clerk of this revised recommended decision of the Deputy Administrator, Agricultural Marketing Service, United States Department of Agriculture, with respect to a proposed marketing agreement and order regulating the handling of milk in the Suburban St. Louis marketing area.

Upon the basis of the evidence introduced at the hearing and the record thereof, the Deputy Administrator, Agricultural Marketing Service, on January 11, 1960 (25 F.R. 293) filed with the Hearing Clerk, United States Department of Agriculture, his recommended decision containing notice of the opportunity to file written exceptions thereto.

On the basis of the exceptions to the recommended decision, certain changes have been made in the regulations proposed, particularly with respect to the seasonal incentive plan. In view of these changes, interested parties are being given further opportunity to file exceptions. Interested parties may file written exceptions to this decision with the Hearing Clerk, United States Department of Agriculture, Washington 25, D.C., not later than the close of business the 3rd day after publication of this decision in the FEDERAL REGISTER. The exceptions should be filed in quadruplicate.

Preliminary statement. The hearing on the record of which the proposed marketing agreement and order, as hereinafter set forth, were formulated, was conducted at East St. Louis, Illinois, on June 22-26, 1959, pursuant to notice thereof which was issued May 13, 1959 (24 F.R. 4342).

The material issues of the record relate to:

(1) Whether the handling of milk produced for sale in the proposed marketing area is in the current of interstate commerce, or directly burdens, obstructs or affects interstate commerce in milk or its products;

(2) Whether marketing conditions show the need for the issuance of a milk marketing agreement or order which will tend to effectuate the policy of the Act; and

(3) If an order is issued what its provisions should be with respect to:

(a) The scope of regulation;

(b) The classification and allocation of milk;

(c) The determination and level of class prices;

(d) Distribution of proceeds to producers; and

(e) Administrative provisions.

Findings and conclusions—(1) *Character of the commerce.* All milk to be regulated by the proposed marketing agreement and order is in the current of interstate commerce, or directly burdens, obstructs or affects interstate commerce in milk and its products.

Packaged fluid milk products from plants located in St. Louis, Missouri, and Vincennes, Indiana, are regularly distributed within the area herein specified as the Suburban St. Louis marketing area in direct competition with milk distributed from plants located in the marketing area. The plants located in St. Louis obtain their supply of milk from dairy farmers located in the proposed marketing area as well as from farms located elsewhere in Illinois and in Missouri.

Plants which will be regulated under the terms of the Suburban St. Louis order, hereinafter referred to as the Suburban order, during most months of a year receive milk from plants located in Wisconsin and Iowa as well as from nearby farms. In turn, bulk milk from a plant located in the southern part of the Suburban marketing area is sold under a contract arrangement to plants located in Kentucky and Arkansas.

During certain months, milk regularly delivered by farmers to Suburban handlers is in excess of fluid demand and is manufactured into various dairy products which are distributed in other states as well as in Illinois.

(2) *The need for an order.* Marketing conditions in the Suburban St. Louis marketing area are such that the issuance of an order to regulate the handling of milk in the area will tend to effectuate the declared policy of the Act.

Stability of marketing conditions can be assured for the Suburban St. Louis marketing area only when provision is made that all milk handlers engaged in competition in the sale of milk in the area pay no less than the minimum prices specified for milk on the basis of its use, and only when all farmers supplying milk to handlers in the market receive the same minimum price per hundredweight for milk of equal quality.

The majority of dairy farmers who regularly deliver milk to handlers who will be regulated by the Suburban order are members of one of three proponent cooperative associations. However, no uniform method of payment for milk now exists throughout the market. Some Suburban dairy farmers receive the St. Louis order uniform price for their milk. Other dairy farmers receive prices which are less than the St. Louis uniform price. In no case does any Suburban proprietary handler pay to dairy farmers in accordance with a classified price plan based on actual utilization of the milk.

The variation in pay prices among handlers and the absence of a classification plan have caused market instability. Some Suburban handlers follow the practice of maintaining a regular supply of milk from dairy farmers during flush production months which is close to their Class I sales. During other months, when production is relatively short in relation to Class I demand, these handlers purchase supplemental supplies from other markets on an opportunity basis. Other handlers follow the practice of maintaining a supply of milk from dairy farmers during short production months which is close to their Class I demand, and, consequently, must market at surplus value concomitant excess receipts during the flush production months. Handlers who operate under both types of procurement policies pay to dairy farmers prices which are generally based upon the St. Louis uniform price without regard to utilization. Accordingly, those handlers who have a relatively high Class I utilization of producer milk have a competitive advantage over those handlers with a low Class I utilization because they pay to dairy farmers a price which is less than the use value of their milk.

Most of the plants in the Suburban area are engaged primarily in the distribution of Class I milk. Since prices paid to dairy farmers are not determined on the basis of a classified pricing plan,

the farmers have no assurance that they are receiving full utilization value of their milk. Without a classified pricing plan, dairy farmers may be paid manufacturing prices for a portion of their milk which is actually disposed of for fluid consumption. This condition has caused unrest and created doubt among farmers which contributes to market instability.

Some handlers distributing milk in the Suburban marketing area will not permit agents of the two bargaining associations to check weights and butterfat content of deliveries of members' milk and will not bargain with cooperatives relative to charges for hauling members' milk from the farm to the receiving plant. Such conditions contribute to market instability.

It is concluded that a Federal milk marketing order in the Suburban St. Louis marketing area is necessary in order to assure orderly marketing conditions by providing:

(a) A regular and definitive method for determining prices to producers at levels contemplated under the Agricultural Marketing Agreement Act;

(b) The establishment of uniform prices to handlers for milk received from producers according to a classified price plan based upon utilization made of the milk;

(c) An impartial audit of handlers' receipts and utilization to insure uniform prices for milk received;

(d) A means of insuring accurate weights and butterfat tests of milk;

(e) Uniform returns to producers supplying the market and an equitable sharing by all producers of the lower returns for sale of reserve milk which is in excess of the demand for fluid milk; and

(f) Marketwide information on receipts, sales and other data relating to milk marketing in the area.

(3) *Order provisions*—(a) *Scope of regulation.* The scope of regulation is made specific by providing appropriate definitions of the terms "marketing area", "producer", "handler", "pool plant", "other source milk", and such other definitions as are necessary to describe the incidence of order regulation.

1. *Marketing area.* The Suburban St. Louis marketing area should include all the territory within the Illinois counties of Bond, Calhoun, Clinton, Fayette, Franklin, Greene, Jackson, Jefferson, Jersey, Macoupin, Madison, Marion, Monroe, Montgomery, Perry, Randolph, Washington, Williamson, and such parts of St. Clair County as are not already included in the St. Louis marketing area. All local, state and Federal reservations and installations located within this described territory should be part of the marketing area.

The sanitary requirements applicable for Grade A milk produced for fluid distribution throughout the marketing area are patterned according to a U.S. Public Health Ordinance and Code. Milk meeting the sanitary requirements of the city of St. Louis is accepted for distribution in Illinois. While milk meeting the sanitary requirements of the State of Illinois is not necessarily acceptable for distribution in St. Louis, it may be distributed throughout the proposed marketing area.

According to the United States Census, the 1950 population of the marketing area herein provided was about 705,000. The population of this area has increased significantly since 1950.

The Suburban marketing area includes the 19 counties which were proposed and supported by the various interested parties. For analytical convenience the 19 counties may be divided into three groups.

The first group, hereinafter referred to as the central group, would consist of nine counties, including Bond, Clinton, Jefferson, Madison, Marion, Monroe, Randolph, St. Clair and Washington. Within the central group almost all of the Class I sales are distributed from plants regulated under the St. Louis order, from unregulated plants located within one of the named counties, and from plants located in surrounding Illinois counties or at Mattoon, Illinois.

The percent of total Class I sales sold in each county included in the central group by handlers fully regulated under the St. Louis order ranges from approximately 18 percent in Jefferson to about 60 percent in Monroe. All distributing plants located in the central group and several plants located in surrounding counties would be pool plants because of the volume of sales distributed within the central group.

The second group, hereinafter referred to as the southern group, would consist of Franklin, Jackson, Perry and Williamson Counties which are located south of the previously mentioned central group. St. Louis handlers supply from 20 to 30 percent of total Class I sales in each of the four counties. Handlers whose plants would be regulated by the Suburban order because of sales in the central group sell most of the remaining Class I sales in the southern group.

Three additional plants, however, would be subject to full regulation by virtue of Class I sales in the southern group. About 5 percent of total Class I sales from one of these plants is distributed in one of the counties included in the central group and the remainder in the southern group. This plant receives its full supply of milk from a supply plant located at Carbondale, Illinois. The other two plants do not distribute milk in the central group. One of these has distribution only within the confines of the southern group and also receives a full supply of milk from the supply plant located at Carbondale. The record is not clear as to the extent of the distribution area of the other; however, such plant sells between 25 and 50 percent of its total Class I sales within the southern group.

The third group of counties, hereinafter referred to as the northern group, would consist of Calhoun, Greene, Jersey, Macoupin, Montgomery and Fayette, which are located north of the central group. Several handlers who operate plants which would be regulated because of the volume of sales in the central group, if the group alone was to be included in the marketing area distribute milk in counties included in this northern group. One such handler, a cooperative association which operates a plant located at Carlinville within the northern group, distributes approximately 65 percent of this plant's total Class I sales within the central group and the remaining 35 percent in the northern group. Another handler whose plant is located at Edwardsville within the central group, disposes of approximately 10 percent of his total Class I sales within the northern group. A distributing plant at Mattoon, Illinois, which distributes approximately 22 percent of its total Class I sales within the central and southern groups, distributes about 11 percent of its total sales in three counties of the northern group.

It is estimated that handlers who either are regulated under the St. Louis order or would be regulated under the Suburban order, because of sales in the central and southern groups, distribute at least 60 percent of all Class I sales in Fayette County. Suburban handlers make the majority of Class I sales in Calhoun, Greene, Jersey, and Macoupin Counties. The exclusion of these counties from the Suburban market would give unregulated handlers a cost advantage in the procurement of milk as compared with regulated handlers, and could contribute to an unjustifiable loss by Suburban producers of part of their Class I market. Therefore, since the majority of Class I sales in these counties would be by regulated handlers, the five counties of Calhoun, Fayette, Greene, Jersey and Macoupin should be included as part of the Suburban marketing area.

A handler with a plant located at Litchfield in Montgomery County is the largest distributor of milk in that county. If this county were excluded, his plant would still be fully regulated under the terms of the Suburban order because the volume of Class I milk distributed from the plant into other counties included in the marketing area is in excess of the minimum pooling requirement. Therefore, the majority of sales in Montgomery County would be from regulated plants. Accordingly, Montgomery County should also be included.

Several handlers operating distributing plants located north and east of the marketing area distribute a relatively small volume of Class I sales within the marketing area and would be partially regulated by the order. It is noted that the primary distribution area of most such plants has been proposed as the marketing area of a Central Illinois order. No decision has been reached as a result of the hearing held on this matter. In any event, such plants would not be disadvantaged in the competition for sales in view of the options provided for handlers operating these plants to pay either compensatory payments or the use value of their milk to dairy farmers delivering to such plants.

To summarize, the 19-county area forms a distinct milk marketing area. With two exceptions, it covers most of the sales territories served by the plants which would be fully regulated here-

under and the Illinois counties within which St. Louis handlers distribute milk. The two exceptions are the plants at Mattoon and Harrisburg, Illinois, which are located outside the proposed area as described in the notice of hearing. No smaller marketing area would so well encompass the sales areas of the handlers to be regulated and minimize the involvement of handlers whose major Class I business is elsewhere. Therefore, in order to remove any competitive disadvantage in the procurement of milk by regulated handlers and unreasonable exposure to the loss of a Class I market by dairy farmers delivering to these handlers, the 19 counties (not including that part of St. Clair County which is a part of the St. Louis marketing area), should be the Suburban St. Louis marketing area.

2. *Producer.* The term "producer" should include dairy farmers who regularly provide Grade A milk to pool plants for fluid consumption in the marketing area. Accordingly, the definition of "producer" should distinguish between those farmers who produce milk in compliance with the sanitary requirements of a fluid market and other dairy farmers whose milk is qualified only for use in manufactured dairy products. Milk intended for fluid consumption in the Suburban marketing area is required to be produced in compliance with specific health standards, but it is not necessary that such approval of sanitary practices be given by local health authorities. Sanitary approval by Government authorities at installations under their supervision also would be considered as satisfying the health approval provision.

The qualification of a farmer as a producer should be established primarily on receipt of his milk at a plant which is substantially supplying the marketing area. (Such plants are hereinafter defined as "pool plants".) Producer should also include those dairy farmers whose milk is temporarily diverted from a pool plant to a nonpool plant either by a pool plant operator or by a cooperative association. The milk so diverted would be deemed to have been received at the pool plant from which it was diverted. This provision will accommodate the most efficient handling of milk which serves as the reserve for the market. However, to obviate the possibility that unlimited diversion would encourage handlers to add producers in excess of those needed to supply the fluid requirements of the market and the necessary reserve, a limit should be placed on the diversion privilege. Therefore, diversion should be limited to 10 days' production during each of the months of August through February. In recognition of the seasonal aspects of production and fluid consumption, no diversion limitation should apply in other months. Should more than 10 days' production of a particular dairy farmer be diverted during each of the months of August through February, that dairy farmer should be a producer during the month for that milk delivered directly to a pool plant and that milk diverted to the extent of 10 days' production.

Producers proposed that diversion should be performed only by cooperative associations. It is not necessary for market stability to so restrict the diversion privilege. Certain proprietary handlers receive milk from farmers who are not members of an association. Farms of nonmember producers may be so located in relation to a nonpool plant which has manufacturing facilities that they would be the producers whose milk could be most efficiently diverted.

It was proposed that cooperatives be permitted to divert milk between pool plants in order to facilitate the allocation of producer milk between plants in relation to the Class I needs of the respective plants. This is denied. Under certain conditions, a cooperative association may be the handler on bulk tank milk. (The findings and conclusions relative to this issue will be found in that part of the decision devoted to the definition of "handler".) Thus, flexibility in allocating producer milk is provided without necessitating inter-pool plant diversion.

A "dairy farmer for other markets" should be defined as any farmer who formerly delivered milk to a pool plant but who delivered his production to another market during those months when the Suburban market was most in need of milk and who resumed deliveries to the Suburban market during flush production months when his milk was no longer needed for Class I purposes on the other market. The milk of such farmers could only be used for manufacturing purposes during these flush months, thus contributing to a lower uniform price for those producers who have assumed the responsibility of regularly supplying the market. This circumstance would tend to place on Suburban producers the unwarranted burden of carrying the surplus of other Class I markets without a compensating participation in Class I sales.

A "dairy farmer for other markets" should be excluded from "producer" status and milk received at pool plants from such farmers would be other source milk. (Other source milk is defined subsequently.)

This method of dealing with dairy farmers who supply milk to the market on an opportunity basis will not discourage the entrance of new producers to the market. Its application will be limited to those dairy farmers who shift from the Suburban market to another market during short production months and shift back to the Suburban market during the following flush production months.

3. *Pool plant.* Generally, there are two categories of milk plants functioning in the Suburban market. In one category are plants from which packaged Class I products are distributed in the marketing area. For discussion purposes, such plants will be referred to as distributing plants. In the other category are plants at which milk is received from dairy farmers, commingled and shipped to other plants for further processing and distribution. Such plants will be referred to as supply plants.

Of plants from which Class I milk may be distributed in the marketing area, it is necessary to distinguish between those which are primarily engaged in Class I distribution and those which are not. A plant from which more than 50 percent of the receipts of milk from Grade A dairy farmers is used for manufacturing purposes is not primarily engaged in Class I distribution. All of the distributing plants presently associated with the Suburban market dispose of as Class I milk considerably more than half of the Grade A milk received from dairy farmers. There is, therefore, no need to include in the marketwide pool plants from which less than half of such receipts is distributed as Class I milk. Inclusion of such plants in the pool would result in an uneconomic dissipation of the return for Class I milk which is intended to assure an adequate supply of milk for the market. This would not be in the public interest or promote orderly marketing.

Only those distributing plants from which a substantial proportion of Class I sales are made in the Suburban area should be fully subject to the pricing and pooling provisions of the order. The inclusion in the pool of plants from which only a minor share of their total Class I sales is distributed in the market would impose a hardship on handlers operating these plants, since it would place them at a competitive disadvantage in their primary sales territories where they compete with unregulated handlers for the major share of their business. Accordingly, it is appropriate to include in the pool only those distributing plants from which not less than 20 percent of their total Class I business is disposed of in the marketing area.

There are at least two plants from which routes are operated in the marketing area that receive no milk from producers. Their total supply of milk is received from a supply plant. Milk received at the supply plant which is not disposed of as Class I is used for manufacturing purposes. At all other distributing plants operating in the area, milk is received directly from producers. However, at most distributing plants, the volume of milk from producers is insufficient to meet Class I demands except in the flush production months. Operators of these plants purchase supplemental milk from plants located in Illinois, Iowa, and Wisconsin and from at least one plant regulated under the St. Louis Federal order.

Supply plants from which a substantial portion of their receipts of milk from dairy farmers is regularly shipped to Suburban distributing plants are clearly associated with the market and their producers should participate in the pool. Supply plants from which incidental or minor quantities of milk are shipped to Suburban distributing plants are not primarily associated with the market and should not participate in the pool. The status of milk received from such plants is covered subsequently under the heading, "Provisions with respect to unpriced milk".

The pool or nonpool status of supply plants should depend upon actual shipments to distributing pool plants rather than upon the "reserve supply credit" technique. In essence, reserve supply credit would be earned by supply plants if their milk is actually used at distribut-

ing plants for bottling purposes. Proponents testified that the "reserve supply credit" method of qualifying supply plants is essential to avoid uneconomic movements of milk.

Other provisions of the order can more appropriately be relied upon to achieve this same objective. Location adjustments are allowed only on those quantities of milk from supply plants that are actually used for Class I purposes. Any quantities of milk shipped in excess of bottling requirements must be transferred at handler's expense. This serves as one impediment to the shipment of unnecessary quantities of milk to distributing plants. The level of the Class II price is also an important factor in the desire of supply plant operators to associate unduly large volumes of milk with the market.

Difficulties inherent in the operation of the proposed reserve supply credit device include the fact that supply plant operators cannot be sure if they are qualifying in any given month. The amount of credit would be affected by unpredictable fluctuations in sales at distributing plants, and, perhaps more importantly, from unpredictable fluctuations in receipts from producers at both the distributing plants and supply plants. The "reserve supply credit" method would require operators of supply plants to be unduly conservative in developing supplies of milk for the relatively short Suburban market even though the prices provided herein may be adequate to attract additional producers.

It is concluded that a supply plant should be considered as a regular source of supply for the market if shipments to distributing plants are equal to not less than 50 percent of the receipts from dairy farmers who meet the inspection requirements described in connection with "producer" during each of the months of August through January. It should also be required that the distributing plants to which such milk is shipped be primarily engaged in fluid milk distribution rather than in manufacturing operations. This can be objectively measured by requiring that at the distributing plants, 50 percent or more of the total Grade A receipts be used for Class I purposes. In the recommended decision this "half-fluid" requirement was included directly in the definition of distributing plant. However, in the exceptions it was emphasized that certain plants serve as surplus disposal outlets for other handlers who have only limited manufacturing facilities. Under the revised definition of pool plant provided herein, the surplus disposal plants will be able to accommodate unlimited quantities of milk from other distributing plants without affecting their own pool status. Supply plants which so qualify as pool plants during the months of August through January should be allowed to maintain pool status, if the operator so desires, during the following months of February through July even though, in any of such months, he may ship to the market less than the minimum percentage. This will accommodate the economical handling of seasonal reserve supplies which normally would not be needed by distributing plants during the spring and early summer months.

Since this order may become effective during a month following the start of the fall qualifying period, a handler may pool a supply plant during the flush production months of 1960 if his plant functioned as a significant source of milk supply for the market during the preceding short production months. To this end, for each month from the effective date of this order through July 1960, a supply plant may be a pool plant if the operator of the supply plant furnishes proof that 50 percent of receipts of approved milk of dairy farmers during the preceding period of August through January was shipped to distributing plants which are pool plants.

Certain plants which otherwise would qualify as pool plants by meeting the appropriate shipping percentages should be exempt from the pooling provisions of the order. Such exemption should cover plants which would be subject to the pooling and other provisions of another Federal order when a larger volume of milk is involved with the other order market than is involved with the Suburban market.

4. *Handler.* "Handler" is a term designed to cover all persons operating plants or otherwise having responsibility with respect to the marketing of milk in the area. The handler is the person who receives milk from producers and is responsible for reporting the receipts and utilization of milk and payment therefor. It includes (a) persons operating pool plants, (b) persons operating nonpool plants from which Class I milk is distributed on routes in the marketing area, (c) a cooperative association with respect to milk diverted to a nonpool plant, and (d) a cooperative association with respect to members' milk which is delivered to a pool plant in a tank truck owned and operated by, or under contract to, the association if the association gives prior notice to the market administrator and the plant operator of its intention to be the handler for such milk.

Proponents proposed that a cooperative association be permitted, under certain conditions, to be the handler on bulk tank and can milk which is moved from the farm to pool plants which are not operated by the association.

Designation of a bargaining-type cooperative association as the handler of bulk tank milk will assist the two bargaining associations in the efficient distribution of the available milk supply according to the needs of the various pool distribution plants. In some instances, the same tank truck load of milk may be split between two or more pool plants; and in other instances, two or more pool plants may receive the entire tank truck load on different days during the same month.

In the case of member farmers who market their milk in bulk tanks, weight readings and butterfat samples will be taken at the farm by persons responsible to a cooperative association and it therefore follows that the cooperative association will be held responsible to the pool for the receipt of such milk. In the case of dairy farmers who market their milk in cans, weight readings and butterfat tests are taken at the receiving plant where individual cans of milk of the same dairy farmer are dumped and commingled and, accordingly, the pool plant is held responsible for the milk receipt. In view of the difficulties involved, it would not be in the best interest of orderly marketing to permit or require a cooperative association to be the handler and account to the pool for can milk received at a pool plant not operated by the association.

It is necessary that the market administrator be able to establish the responsibility for milk received and, therefore, the cooperative association which intends to be the handler for bulk tank milk is required to so notify the market administrator. Otherwise, the handler at whose pool plant the milk is received must be held accountable for it and responsible for payments to producers. It follows that the association also will notify the operator of the pool plant that it intends to be the handler for the milk.

When a cooperative association is the handler for bulk tank delivered to the pool plant of another handler the transaction constitutes an interhandler transfer. In order to avoid misunderstanding concerning the classification of such transactions, the order should provide for pro rata classification at the pool plant of bulk tank milk of which the association is a handler. Such classification would be automatically subject to audit adjustment. This method will also expedite the association's report of receipts and utilization. The pool plant handler would be required to pay the association the class prices for milk received and classified in this manner. The association, in turn, would be required to settle with the pool through the producer-settlement fund and to settle with the market administrator for the administrative expense assessment on the milk.

5. The term "producer-handler" would apply to any person who produces milk on his own farm and operates a plant from which milk is distributed in the marketing area, but receives no milk from sources other than his own farm or from pool plants.

The milk produced by a producer-handler on his own farm would be exempt from the pooling requirement which applies to other handlers. In view of this, it is necessary in the interest of orderly marketing that the term cover a particular type of operation. A handler whose milk supply is obtained entirely from his own farm production and from pool plants would qualify as a producer-handler, and any handler who obtains part of his milk supply from another dairy farmer or from nonpool plants would not so qualify.

Only two producer-handlers are currently distributing Class I milk in the Suburban marketing area and their competitive impact on other handlers and on other dairy farmers is not contributing to instability at the present time. Under these circumstances, market stability would not be endangered if such operators purchased needed supplemental supplies of milk from pool sources

and disposed of surplus milk to pool sources provided appropriate conditions are applied. The order should provide that transfers of milk to producer-handlers from pool plants should be a Class I disposition by the transferor-handler; and receipts of milk at pool plants from producer-handlers should be other source milk. Such classification is appropriate otherwise producers would be forced to assume the reserve supply of producer-handlers without a compensating share of Class I sales.

The exemption of producer-handlers from pooling may provide incentive for individuals to adopt certain devices in an attempt to circumvent the order's intent to pool plants which receive milk from other farmers. In order to preclude the use of such devices, the order provides that to be a producer-handler the maintenance, care and management of the dairy animals and all other resources used to produce milk as well as the resources used in the processing, packaging and distribution of the milk be at the sole risk of the person who claims producer-handler status.

A producer-handler would be required to make such reports of his receipts and utilization as the market administrator deems necessary to verify the continuing status of such person and facilitate verification of transactions with other handlers.

6. "Other source milk" is defined in order to distinguish certain milk from producer milk. It would include milk received at a pool plant from nonpool sources and Class II products from any source which are reprocessed or converted to another product in the plant during the month.

(b) *The classification and allocation of milk.* All milk and milk products received by a handler should be classified in two classes according to use. Skim milk and butterfat should be classified separately in accordance with their use in Class I and Class II milk.

Skim milk and butterfat are not used in most products in the same proportions as contained in producer milk and, therefore, it is appropriate that they be classified separately according to use. Class prices, however, will apply to each hundredweight of milk, and will be adjusted by butterfat differentials according to the butterfat content of the milk used in each class. The skim milk and butterfat content of milk products received and disposed of by handlers can be determined by recognized testing procedures. Some products such as fortified skim milk, condensed milk, and concentrated products present an accounting problem in that some water contained in the milk used to produce these products has been removed. It is necessary in the case of such products to provide an acceptable means of ascertaining the amount of skim milk and butterfat used to produce them. This can be established through the use of plant records made available to the market administrator, or by conversion factors.

1. *Milk classes.* Class I milk would be defined as skim milk and butterfat disposed of in those milk products which are now required by health authorities having jurisdication in the marketing area to be made from milk from approved sources. The extra cost of getting Grade A quality milk produced and delivered to the market in the condition and quantities required makes it necessary to provide a price for milk used as Class I higher than the price for uninspected milk which is used for manufacturing purposes.

More specifically, Class I should be defined to include all skim milk and butterfat disposed of in fluid form as milk, skim milk, concentrated milk, milk drinks (plain or flavored), cream (sweet or sour) and any mixture of milk, skim milk or cream (except frozen dessert mixes, eggnog, aerated cream products and sterilized products packaged in hermetically sealed containers).

Class I products which contain concentrated skim milk solids, such as skim milk drinks and buttermilk to which extra solids are often added, or concentrated whole milk disposed of in unsterilized fresh form for fluid use, should be included under the Class I definition. Products commonly known as evaported milk or condensed milk, which are either packed in hermetically sealed containers or are used in the manufacture of other milk products, should not be considered concentrated milk and should not be classified as Class I.

It is necessary in accounting for Class I sales of fortified, concentrated and reconstituted milk that the order provisions prevent the displacement of producer milk in Class I use. This requires that such disposition be accounted for on the basis of milk used to produce such products, which includes all water originally associated with the milk solids used. Fortified, concentrated and reconstituted milk compete for the same Class I sales as whole milk or skim milk and, if made from other source milk, could displace producer milk which is available for the same purpose. It is concluded, therefore, that accounting for skim milk in these Class I products on the basis of original volume, including all the water originally associated with the solids, is necessary to return to producers a value commensurate with the use and availability of their milk for Class I purposes.

Producers proposed classification as Class I for that skim milk and butterfat used to produce "Smetina" and "salad dressing". The record is not clear as to the full ingredients of "Smetina" and "salad dressing" nor is it clear as to whether they are distributed only from plants processing dairy products or from food warehouses as well. No description of either product is contained in the Grade A milk law provided and administered by the State of Illinois which is the authority responsible for the minimum sanitary regulations on milk throughout the marketing area. Accordingly, the specific inclusion of "Smetina" and "salad dressing" as Class I is denied.

Class II milk should include all skim milk and butterfat used to produce any product other than those specified as Class I, including, but not restricted to, butter, cheese, evaporated and condensed milk, nonfat dry milk, cottage cheese, ice cream mix and eggnog. These products are not required to be made from Grade A milk.

Class II should also include the skim component of any skim milk which is dumped after prior notification to, and opportunity for verification by, the market administrator; and skim milk and butterfat used for livestock feed to the extent that appropriate records of such utilization are maintained by the handler.

Butterfat and skim milk used to produce Class II products should be considered disposed of when so used. Handlers will need to maintain stock records of such products, however, to permit audit of the utilization by the market administrator.

Handlers have inventories of milk and fluid milk products at the beginning and end of each month which enter into the accounting of receipts and utilization. Manufactured products on hand are not included in the inventory account because the milk used to produce such products will already have been accounted for. Handlers will need to keep records of such manufactured products but such products will not be included in inventories for the purpose of accounting for current receipts.

Closing inventory would be accounted for as Class II milk. Accordingly, it is necessary to provide a proper method of reclassifying in the following month, the milk in beginning inventory which is used for Class I disposition. The method of reclassifying beginning inventory would be in accordance with the general procedure of giving precedence in Class I assignment to producer milk received during the month. Priority of Class I assignment is then given to receipts of the handler in the previous month from other pool sources which were priced as Class II milk.

It may be necessary to determine to what extent in the previous month other source milk became an inventory item. The amount of beginning inventory assigned to Class I milk but not covered by the reclassification charge would be subject to compensatory payments, provided that such payments would not apply to any milk which has been classified and priced as Class I milk under another Federal order.

Allowance of Class II classification would be made for a reasonable amount of shrinkage in recognition that there is some loss of skim milk and butterfat in the processing and distribution of milk. A shrinkage allowance of up to two percent received from producers is provided. This amount of shrinkage allowance is common under Federal orders and official notice is here taken of a similar allowance in Federal Order 3 regulating the handling of milk in the St. Louis, Missouri, marketing area.

Milk may be received at a pool plant in tank trucks from other pool plants and from cooperative associations in their capacity as handlers. In this case the maximum shrinkage allowance of 2 percent would be allocated at the rate of 1.5 percent to the plant where received, leaving the other 0.5 percent for the shipping plant or cooperative association. This system of applying shrinkage allowance recognizes that

relatively little shrinkage occurs in the receiving of milk and relatively more in its processing, bottling and distribution.

No shrinkage allowance would be allowed to the operator of a pool plant on producer milk diverted to a nonpool plant inasmuch as such milk is not physically received at the pool plant.

No shrinkage would be allowed on receipt of dairy products such as butter, powder, cheese, and cottage cheese curd.

Since it is not feasible to segregate shrinkage of other source milk from shrinkage of producer milk, total shrinkage is prorated between the two on the basis of the respective volumes of receipts. The amount prorated to the producer milk would be classified as Class II utilization only up to a total of 2 percent. Any shrinkage above the 2 percent maximum would be classified as Class I milk. No limit is necessary on shrinkage of other source milk since such milk is deducted from the lower use classification under the allocation procedure.

2. *Transfers.* It is necessary to establish rules for the classification of skim milk and butterfat which are transferred or diverted from one plant to another.

In the case of skim milk and butterfat used in the production of manufactured milk products, Class II classification should be established at the pool plant where the product is made. Packaged Class I products should be classified as Class I at the transferor plant. Therefore, the rules for classification for transfers need apply only to skim milk and butterfat which are moved in bulk fluid form.

Milk products in bulk fluid form transferred to another pool plant should be classified as Class I milk unless the operator of each plant indicates in his report to the market administrator that such milk is to be classified as Class II and there is sufficient Class II classification available at the transferee plant pursuant to the allocation procedure. Class II classification, however, should be subject to the provision that such classification will result in the maximum amount of producer milk at both plants being assigned to Class I milk.

Milk products in bulk fluid form may also be transferred or diverted to nonpool plants. When diverted, milk will move directly from the producers' farm to the nonpool plant. Most plants which will be pool plants under the terms of the Suburban order are located within or near the marketing area. However, one supply plant which is located in Wisconsin will become a pool plant. Adequate manufacturing facilities are located within the scope of arcs drawn 150 miles from the main U.S. post office of the cities of Alma, Alton, Benton or Red Bud to accommodate disposition of surplus by plants which are located in or near the marketing area. A surplus disposal area circumscribed by an arc drawn 50 miles from its plant would accommodate surplus disposal problems of any pool plant located a considerable distance from the marketing area. Administrative feasibility requires that some limit be set on the area within which the market administrator should send his staff to verify utilization.

Transfers and diversions to nonpool plants located within the areas described which are adequate to accommodate surplus disposition may be classified as Class II provided the following conditions are met: (1) The transferring or diverting handler claims classification in Class II milk in his regular report of receipts and utilization; (2) The operator of the nonpool plant, if requested, makes his books and records available to the market administrator for the purpose of verifying receipts and utilization of all milk in the nonpool plant; and (3) The Class I milk (as defined in the order) disposed of from the nonpool plant does not exceed the receipts of skim milk and butterfat in milk received during the month from dairy farmers approved to supply Grade A milk and receipts in consumer packaged form which are priced as Class I under this or other Federal orders. If the Class I disposition from the nonpool plant exceeds such receipts, provision should be made to classify as Class I an amount equivalent to such excess.

The order should not provide duplication of Class I classification on milk transferred to the same nonpool plant from other plants regulated by this and other Federal orders. It is reasonable, therefore, to assign receipts in packaged form which are classified as Class I under any Federal order to Class I disposition at the nonpool plant before bulk transfers are so classified. Bulk transfers to such nonpool plant which are classified as Class I should not be less than the Suburban market's pro rata share of the remaining Class I sales from such nonpool plant. This method of classification and proration of Class I sales provide equality of treatment among handlers under the Suburban order as well as handlers under other Federal orders in case of transfers to a common nonpool plant.

Milk transferred from a pool plant to the plant of a producer-handler should be Class I milk for reasons explained in the previous findings relative to producer-handlers. Transfers to a pool plant from a plant of a producer-handler should be classified as other source milk and allocated accordingly.

3. *Allocation.* Milk from sources other than producers frequently will be received at pool plants. Since the order applies class prices only to producer milk, it is necessary to determine the classification of skim milk and butterfat contained in milk received from these other sources.

In order to insure the effectiveness of the classified pricing program, producer milk must have priority in assignment to Class I utilization. The allocation to Class I and Class II utilization of receipts from different sources as set forth in the order will accomplish this objective. The allocation should provide further that after setting aside the appropriate allowances for shrinkage of producer milk, skim milk and butterfat in other source milk should be subtracted from Class II utilization before skim milk and butterfat contained in producer milk are so assigned.

One exception should be made to the prior allocation to Class II utilization of other source milk. Other source milk in packaged Class I form received from plants fully regulated under another Federal order which are disposed of in the same packages as received should be subtracted from Class I utilization at the receiving plant. Plants which will be regulated under the proposed Suburban order regularly receive packaged Class I products from plants regulated under other Federal orders. One Suburban plant receives packaged milk from a St. Louis pool plant which milk is distributed by the Suburban handler in the St. Louis marketing area. Other Suburban plants regularly receive packaged Class I products from plants regulated under another order. Since this milk is regularly received at Suburban plants from other Federal order plants, it can only be concluded that the dairy farmers supplying milk to the other Federal order plants have assumed the responsibility of supplying the milk for such products and for the reserve supply associated therewith. Therefore, Suburban St. Louis producers who will not be the regular source of supply of milk for such products should not receive priority of classification to such Class I disposition. However, in order to prevent abuse and inequities to Suburban producers, the Suburban order should provide that plants which receive packaged milk from other Federal orders shall not receive prior allocation to Class I for such milk if the same product is processed and packaged in containers of the same type and size in the Suburban plant during the month.

Other source bulk milk which is priced and pooled as Class I under another Federal order may also be received at pool plants. Such milk should take priority with respect to the highest utilization over other source milk not so priced and pooled. This will minimize compensatory payments by Suburban handlers on supplemental milk purchased from unpriced sources.

Receipts of milk from other pool plants would be subtracted from the class utilization to which they are assigned pursuant to the transfer provisions.

The sequence of subtractions from Class II utilization (except where otherwise indicated) to achieve proper assignment of Class I utilization to producer milk should be as follows:

(1) Allowable shrinkage of producer milk;

(2) Receipts of packaged Class I products from plants regulated under other Federal orders should be subtracted from Class I utilization;

(3) Receipts of unpriced other source milk;

(4) Receipts of bulk other source milk classified and not priced as Class I under another Federal order;

(5) Receipts of bulk other source milk classified and priced as Class I under another Federal order;

(6) Beginning inventory;

(7) Receipts from other handlers according to classification; and

(8) Overage.

The order should not provide a 5 percent assignment of producer milk to Class II utilization before the Class II assignment of other source milk. While

Suburban handlers frequently find it necessary to utilize as Class I bulk milk received from other sources, such other source milk is purchased and so used only when producer milk is insufficient for the particular handler's Class I sales. Therefore, it can be concluded that the other source milk is a supplemental rather than a regular dependable supply.

(c) *The determination and level of class prices*—1. *Class I price.* For the first 18 months, the minimum Class I price each month per hundredweight of milk containing 3.5 percent butterfat at plants located in the "base zone" should be the St. Louis Federal order Class I price effective at a pool plant located at Collinsville, Illinois, minus 10 cents. The "base zone" should include the counties of Clinton, Franklin, Jackson, Jefferson, Madison, Marion, Monroe, Perry, Randolph, Washington, Williamson, and that part of St. Clair County not included in the St. Louis marketing area. The minimum Class I price at plants located elsewhere in the marketing area should be the St. Louis order Class I price at a pool plant located at Collinsville minus 15 cents.

Various Class I prices were proposed for the Suburban order, all of which were tied to the St. Louis order Class I price. Because of the overlapping of the Suburban and the St. Louis milk procurement areas, the various proposals were predicated on the necessity of equating the uniform prices paid to Suburban producers with the uniform prices paid to those producers delivering to plants regulated under the St. Louis order whose farms are located in the Illinois portion of the St. Louis milkshed.

Other factors must be considered. Primarily, the level of the Class I price must be such as to bring forth a regular and dependable supply of Grade A milk for the Suburban market. As corollary considerations, the Class I price must recognize (a) the desirability of so aligning Suburban and St. Louis Class I prices to provide equity for both groups of handlers and to eliminate the possible inequity to St. Louis or Suburban producers if one of the respective Class I prices is so low in relation to the other as to precipitate the transfer of a Class I market; (b) the difference in cost to Grade A dairy farmers in complying with inspection requirements of St. Louis health authorities as compared with inspection requirements of Suburban health authorities; and (c) the need to align Suburban prices with prices in other areas which may serve as alternative sources of supply.

One guide in determining the Class I price which will assure an adequate supply of milk for the Surburban market is the historical price relationship between St. Louis and Suburban plants. As previously stated, no uniform method of calculating payments to dairy farmers has existed in the Suburban market. However, it is possible to approximate the average prices paid. Generally, operators of distributing plants which will be regulated have paid prices that approximate that St. Louis order uniform price at the zone where their respective plants are located. Such prices have not attracted an adequate and regular supply of Grade A milk for the market from local dairy farmers. Suburban handlers have found it necessary to import milk during approximately 9 months of the year to supplement deliveries from local dairy farmers. The supplemental milk is bought principally from plants located at Platteville and Madison, Wisconsin, and Cedar Rapids, Iowa. However, in view of the fact that the compulsory Illinois Grade A statute is relatively recent, it is necessary to allow a period of time to evaluate supply response under these conditions.

At least four plants regulated by the St. Louis order are located within the Suburban marketing area and one is located in Effingham County which lies each of the Suburban area. Class I milk from three of these plants is distributed in various counties included in the Suburban marketing area. The three plants, one of which is located at Collinsville, are approximately the same distance from the city of St. Louis. Thus, Collinsville will provide the point of St. Louis pricing pursuant to which the appropriate Suburban Class I price may be computed.

St. Louis order handlers distribute significant proportions of the total fluid milk sales distributed in 14 of the 19 counties herein specified as the Suburban marketing area. In the spring of 1958, the magnitude of St. Louis distribution ranged from a low of approximately 20 percent of total Class I sales in Franklin County to a high of approximately 60 percent of such sales in Monroe County. It is evident that while the St. Louis marketing area is the primary market of St. Louis handlers, the magnitude of sales in the Suburban market by these handlers cannot be overlooked in arriving at an appropriate price plan. Producers delivering to these St. Louis handlers have assumed the responsibility of supplying the Grade A milk needed for the Class I sales in Illinois made by such handlers. Any Class I price advantage to Suburban handlers beyond that dictated by economic considerations would tend to jeopardize a significant proportion of the established Class I market of St. Louis producers.

It is generally accepted that the Grade A inspection requirements of the St. Louis health department are more stringent than those enforced by authorities responsible for the Suburban market. Therefore, it would be expected that St. Louis order Class I prices should be higher than the Suburban Class I prices by the additional cost of complying with St. Louis Grade A inspection. Various witnesses estimated the magnitude of the additional cost involved. Such estimates differed considerably because of the comparatively larger costs of converting existing facilities to meet St. Louis standards as compared with the lower additional costs of building new facilities to meet St. Louis rather than Illinois standards. It is concluded that 10 cents appropriately represents the lesser cost involved in producing Grade A milk for the Suburban market.

Another measure of the appropriateness of the Suburban Class I price is a comparison of such price with the Class I price effective at plants located in other areas which are alternative sources of supply for the Suburban market. During the 12-month period ending with September 1959, the average price for Class I milk under the Chicago Federal milk order at a plant located in the same zone as is the Platteville, Wisconsin, plant was $3.50. Adding a transportation cost computed at a rate of 1.5 cents for each 10 miles or fraction thereof (this is the rate of location adjustments included herein), the price of Class I milk delivered to a Suburban plant located at Collinsville, Illinois, which is a relatively large population center located north of Highway 50 in the Suburban marketing area, would have been approximately $4.01. This computation does not include a handling charge. Applying similar assumptions to milk delivered from the unregulated plant at Madison, Wisconsin, the average price for Class I milk delivered to a plant located at Collinsville would have been $4.10. Class I milk from a plant regulated under the terms of the Cedar Rapids, Iowa, order would have cost about $4.26 delivered to a plant located at Collinsville. During the same 12-month period the average Suburban Class I price at plants located in the base zone would have been $4.09.

The order should provide that the Class I and uniform prices applicable at pool plants located in the northern zone should be five cents less than those applicable at plants located in the base zone. The northern zone should include the counties of Bond, Calhoun, Fayette, Greene, Jersey, Macoupin and Montgomery.

Madison and St. Clair Counties are by far the most densely populated counties included in the Suburban area. The plants of several of the larger Suburban handlers are located in these two counties as are the plants of several St. Louis handlers. Not including the 10-cent difference in the cost of producing Grade A milk for the two markets, Suburban plants should pay for milk at least as much as do St. Louis plants similarly located.

Historically, prices received by dairy farmers delivering to plants located in other counties included in the base zone have been higher than those received by farmers delivering to plants located in the northern zone of the marketing area. One handler entered specific data on this subject. During 1958 prices paid to farmers delivering milk to a plant operated by this handler which is located in the northern zone, at Carlinville, were less than the prices received by farmers who deliver to a plant located in the southern zone, at Carbondale, which is operated by the same handler.

Plants located in the northern counties of the marketing area are closer to alternative supply sources and, therefore, can obtain Class I supplies at a lower cost. Handlers with plants located in these northern counties distribute Class I milk in base zone counties in competition with handlers operating plants located therein, however, the cost of moving milk from the northern counties to the base zone should offset the difference in the Class I prices.

At a hearing held in St. Louis on January 18, 19, 20, 25, and 26, 1960, proposals were made to provide less seasonal variation in the Class I price provisions of the St. Louis Federal order.

If such proposals are adopted, the Suburban order would also provide less seasonal variation in the Class I price. The related problem of seasonal production incentive to producers is dealt with under topic (d)4 below.

Some time after the order has been in operation in a full year, a hearing can be called to consider more permanent Class I price provisions. At such time considerable marketwide data on all aspects of the marketing of milk in the area will be available. These data can be expected to provide the basis for a reappraisal of the Class I price structure."

2. *Class II price.* The minimum Class II price each month per hundredweight of milk containing 3.5 percent butterfat should be the minimum Class II price for the same month under the terms of the St. Louis order.

Some milk in excess of Class I requirements is necessary to maintain an adequate supply of milk for the market on an annual basis. The price for this excess milk should be maintained at the highest level consistent with facilitating its use in manufactured products. The price, however, should not be so low that handlers will be encouraged to procure supplies of Grade A milk solely for manufacturing purposes.

The recommended decision provided that the Suburban Class II price should be 10 cents higher than the St. Louis Class II price. In their exceptions, interested parties pointed out that while some relatively large shippers of ungraded milk may have received a price for their milk which was in excess of the St. Louis Class II price because of quantity and quality premiums, such prices were not representative of prices paid throughout the market for ungraded milk. It was further argued in these exceptions that a Suburban Class II price which is in excess of the St. Louis Class II price would tend to cause handlers operating in both markets to concentrate Class II milk in the market with the lowest price.

In view of these considerations the Suburban Class II price should be the same as that contained in the St. Louis Federal order.

3. *Butterfat differentials.* Butterfat and skim milk are to be accounted for separately for classification purposes. Class and uniform prices are to be established for milk containing 3.5 percent butterfat. Therefore, to reflect differences in the value of the milk due to variations in butterfat content, it will be necessary to adjust Class I, Class II and uniform prices in accordance with the average butterfat test of milk in each class, and of the milk delivered by each producer.

The values resulting from multiplying the average price of 92-score butter at Chicago by 0.120 for Class I milk and 0.115 for Class II milk will provide an appropriate basis for adjusting such prices for each one-tenth percent variation in butterfat content. The resulting differentials will conform with those applied under the St. Louis order.

The butterfat differential to producers should correspond to the weighted average values of butterfat used for Class I and Class II purposes. This follows the principle of uniform prices to all producers and will reflect changes in the use of butterfat in each class.

4. *Location differentials.* Class I and uniform prices paid by handlers operating plants located a considerable distance from the market should be subject to minus adjustments to reflect the cost of moving milk to the market. Adjustments to Class I prices at such plants are necessary to equalize the cost of milk to all handlers distributing in the marketing area. Adjustments to producer prices will recognize the lesser location value of producer milk which must be transported a considerable distance to the Suburban market.

No location adjustments should apply at plants located less than 50 miles from the nearest main U.S. post office in Alma, Alton, Benton or Red Bud, Illinois. The area thus circumscribed will insure that no handler operating a distributing plant located within or adjacent to the marketing area will have a competitive advantage over any other handler operating a plant which is similarly located.

A location differential of 1.5 cents for each 10 miles should be used for adjusting Class I and uniform prices. This rate approximates the cost of moving milk to the Suburban market and conforms with rates similarly used in other Federal milk orders in this region. Accordingly, it is concluded that a rate of 9 cents should be established at plants located more than 50 miles but less than 60 miles from the nearest of the named basing points. For each additional 10 miles or fraction thereof, the per hundredweight location adjustment should be increased 1.5 cents.

No location adjustment should be allowed on Class II milk. Costs involved in moving manufactured products are minor relative to costs of moving whole milk. Manufactured dairy products are much less perishable and the components of manufactured products are usually in concentrated form. Accordingly, there is little value in milk used for manufacturing purposes which can be equated to plant location.

In computing the aggregate Class I location adjustment allowed at distributing plants on milk received in bulk from distant plants, a method should be provided for allocating Class I utilization. Such allocation of Class I should begin with milk received from producers. Receipts from other pool plants which are not subject to location adjustments should be next allocated to Class I and, then in sequence, milk received from those plants which have the least location adjustment.

5. *Equivalent price.* If for any reason a price quotation required for computing class prices or for any other purpose is not available in the manner described, the market administrator should use a price determined by the Secretary to be equivalent to the price which is required. Experience has shown that quotations described in the order may not be available at all times. It is concluded that provision for such contingencies should be made by providing for a determination by the Secretary of an equivalent price.

6. *Provisions with respect to unpriced milk.* The order should provide for payments to the producer-settlement fund with respect to unpriced milk which is allocated to Class I at a pool plant. Operators of nonpool distributing plants would have the choice of making payments to the producer-settlement fund or paying Grade A dairy farmers from whom they receive milk the use value of such milk pursuant to the pricing, classification and all other provisions of the order.

The rate of payment on such milk should be equal to the difference between the Class I and Class II prices during the months of March through July and the difference between the Class I and uniform prices during the months of August through February.

At times, operators of pool plants may purchase milk for Class I use from sources which are not fully subject to classification and pricing under the terms of any Federal order. Unpriced Grade A milk which is purchased from such unregulated sources by Suburban handlers to supplement deliveries from dairy farmers will usually represent Grade A milk which is in excess of the demand for Grade A distribution in another market. As surplus, its value in the other market is less than the value of milk used for Class I purposes. If Suburban handlers were allowed to purchase such milk and dispose of it for Class I purposes without some compensatory feature in the order, such handlers would have a competitive advantage as compared with other Suburban handlers, and would have incentive to replace regular producer milk with milk which is surplus in another market.

To avoid both these deleterious consequences to the orderly marketing of milk in the Suburban area, it is concluded that handlers operating pool plants at which other source milk which is not priced as Class I under any Federal order is allocated to Class I should pay into the producer-settlement fund a compensatory amount which will reflect generally the difference in value between regulated and unregulated milk used for Class I purposes.

When milk is available in substantial volumes from nonpool sources, pool plants could obtain such milk at prices reflecting its value as surplus milk which would approximate the Class II price under the order. During the seasonally high production months of March through July, therefore, the rate of payment on other source milk allocated to Class I should be the difference between the Class II price and the Class I price adjusted to the location of the plant from which such other source milk was received from dairy farmers. During the months of August through February, milk supplies are shorter than in other markets. It is not likely that other source milk will be available to the market at surplus prices. It reasonably may

be expected that during such months such milk will be available from unregulated sources at prices not less than the level of the uniform price under the order.

Compensatory payments during these months, therefore, should be the difference between the uniform price and the Class I price, both adjusted by location differentials to the plant from which such other source milk is supplied.

It is administratively necessary to use the stated rate of compensatory payment instead of attempting to determine a particular rate in each given case. Pool plant operators may obtain other source milk with little or no advance notice from a wide variety of sources. Any attempt to determine the actual cost of such milk to the regulated handler would be complicated by the number of plants involved. Some of the plants supplying the other source milk might be operated by the same handler, in which case the interplant billing would be purely arbitrary. There is the possibility of arbitrary billing even where the plants are not under common ownership. In addition, the originating plant would not be subject to the audit and payment provisions of the order. It is, therefore, necessary to have definite and specified rates applicable to all handlers similarly situated. The rates herein provided are those which will best effectuate the intent of the Act under current marketing conditions in the area.

Other source milk used in the form of nonfat dry milk or condensed skim milk should be considered to be from a source at the location of the plant where it is used. The transportation cost on such skim milk in terms of the skim milk equivalent and the basis of accounting for such milk under the order, will be insignificant or relatively minor. By following this procedure, the compensatory payment on other source milk derived from nonfat dry milk or condensed skim milk will be comparable to that on any unpriced other source whole milk which is allocated to Class I milk.

No compensatory payment would be required on milk which is classified and priced as Class I under any other Federal order. The alignment of Class I prices for the Suburban market with those for other Federal orders precludes any significant competitive advantage to Suburban handlers who purchase other Federal order milk.

Another type of unpriced milk is that distributed in the marketing area by a handler operating a nonpool plant. Such a nonpool plant is primarily associated with another market since less than 20 percent of its total Class I sales are made in the marketing area. Several handlers operating plants located to the north and east of the proposed area would be in this category.

The use of other source milk by these nonpool distributors differs in an important respect from the use of other source milk by operators of pool plants. Sales by nonpool distributors in the market are on a regular basis, whereas the purchase of supplemental milk by pool plants is usually sporadic and from different, more-distant sources.

The integrity of the regulation can be maintained by providing alternative methods of determining compensatory payments at a nonpool distributing plant. Subject to proper reporting and the maintenance of adequate records, the operator of such plant should be given an opportunity to choose between payment into the producer-settlement fund of: (1) An amount equal to the volume of Class I milk disposed of in the marketing area at the same rate applying to unpriced milk allocated to Class I at pool plants, or (2) the amount by which total payments to dairy farmers delivering to such plant are less than the total obligation to producers which would be due if such plant were a pool plant.

If the partially regulated handler elects to make payments under the first option, the regulation would be protected in the same manner and to the same extent as is provided with respect to compensatory payments on other source milk at pool plants. If the handler chooses to pay the full utilization value of his milk either directly to his own farmers, or by combination of payments to his farmers and to the producer-settlement fund, he will not have any advantage in terms of the minimum order class prices on his sales of Class I milk in the marketing area. His total minimum obligation for milk will be determined in the same manner as if he were a fully regulated handler.

Affording this second option to partially regulated nonpool plants will adequately protect the regulatory plan in this market. The option to pay directly to dairy farmers who regularly supply such nonpool plants with milk at the full utilization value of such milk in accordance with the order will not place the operators of pool plants at a competitive disadvantage in the procurement of their milk supply.

Under the second option, the operator of the nonpool plant would be required to file a complete report of receipts and utilization. From such reports, subject to audit, the value of his milk would be computed at the class prices and adjusted for location and butterfat content in the same manner as for a pool plant. From this utilization value the market administrator would subtract the payments to the Grade A dairy farmers who constitute the regular supply of milk for the nonpool plant as verified from the producer payroll. Only such payments would be allowed as had been made to such farmers by the 20th day following the end of the month. The payment would be the gross amount paid to such farmers for milk at the nonpool plant. Bona fide deductions for supplies and services, such as hauling, would be allowed as authorized by the dairy farmer.

The assessment of administrative expense should depend upon which option is chosen by the nonpool distributor. If he elects to pay on his in-area sales he should be required to pay administrative expense only on such quantities of milk so disposed of in the marketing area. If he elects the payment based on the utilization value of his milk, he should pay administrative expense on his entire receipts of milk from Grade A dairy farmers and any other receipts from unpriced sources which are allocated to Class I milk the same as is required of pool plants. Obviously, the second option necessitates as much verification of the reports and utilization by the market administrator as at a pool plant. Such verification might well include the checking of weights and butterfat tests of receipts from dairy farmers and products sold as well as a complete audit of the books and records for such plant.

It is possible that nonpool plants from which milk is distributed in the Suburban market will also be nonpool distributing plants under the terms of another Federal order. To eliminate any duplication of equalization and administrative payments, the Suburban order should credit such handlers with payments made under similar provisions of another Federal order.

(d) *Distribution of proceeds to producers*—1. *Type of pool.* Returns from the sale of milk should be distributed to producers through a marketwide pool rather than through individual-handler pools.

The Act specifies that an order must provide for (1) the payment of uniform prices for all milk delivered by producers to the same handler, or (2) the payment of uniform prices for all milk delivered by producers to all handlers based upon the marketwide use of such milk. The former method of payment is by individual-handler pools, the latter by a marketwide pool. Under either method, all handlers pay the same class prices for producer milk except for plant location and butterfat content differences.

Under the individual-handler pool, the minimum prices to be paid producers will be uniform to all producers delivering their milk to the same handler. The uniform price will depend upon the proportion of producer receipts used in each class by the handler. Although each handler is required to pay minimum uniform prices to all the producers who deliver milk to his plant during each month, the prices paid by different handlers may differ because the proportion of milk used in each class may vary.

While locally produced Grade A milk for the Suburban market has been in relatively short supply on an annual basis, daily and seasonal fluctuations in receipts in relation to sales inevitably result in the necessity of utilizing some Grade A milk in lesser valued manufactured products. The manufacturing facilities for handling reserve supplies of milk vary considerably. Some handler's plants are equipped to handle their own reserve as well as the reserve of other handlers while other handlers have extremely limited manufacturing facilities. One cooperative association which operates several plants in the area supplies all the milk required by at least two proprietary plants which will become regulated and supplemental milk to other proprietary plants. The reserve supply associated with these sales is manufactured at a plant operated by the cooperative. Under such situation, a marketwide pool would better contribute to market stability and most efficient handling of reserve supplies by insuring an

equal return to all producers engaged in supplying the Class I demand of the Suburban market.

A marketwide pool will also contribute to the flexibility of milk marketing in two other important respects. One of these is that supplemental supplies may be freely distributed among handlers without affecting the prices paid to producers at each plant. The other is that temporary or seasonal reserves may be shifted between plants either by transfer of the milk or of the producers so as to result in the most economical use of milk and facilities without affecting the prices paid to producers at individual plants.

2. *Payments to individual producers and to members of cooperative associations.* Each handler should make final payment to each producer for milk delivered by such producer at the appropriate uniform price on or before the 20th day of the month following receipt of the milk. Provision is made for partial payments on milk received during the first 15 days of the month, such payment to be made on or before the last day of the month.

Payments due any producer for milk should be paid by the handler to a cooperative association if the cooperative association makes a written request for such payment and if the member producer has given the cooperative association written authorization, in the form of a contract or in any other form, to collect such payments. The association's request should also provide for any loss incurred because of any improper claim.

Unless a cooperative association can receive payment for the milk marketed on behalf of its producer-members, it cannot reblend the sales proceeds from milk sold in various outlets. This important function is specifically provided for in the Act.

Provision is made for handlers to make payments to a cooperative association two days in advance of the time the handler is required to make payments to individual producers in order that all producers will receive payment on approximately the same date.

In making such payments for producer milk to a cooperative association, the handler should at the same time furnish the cooperative association with a statement showing the name of each producer for whom payment is being made, the volume and average butterfat content of milk delivered by each such producer, and the amount of and reasons for any deductions which the handler withheld from the amount payable to each producer. This statement is necessary so the cooperative association can make proper distribution of the money to producers for whom it collects payment.

3. *Producer-settlement fund.* Since the amount which the order requires a particular handler to pay for his milk may be more or less than the amount he is required to pay to producers or cooperative associations, some method of balancing these amounts is necessary. A producer-settlement fund should be established for this purpose. All handlers who are required to pay more for their milk on the basis of their utilization than they are required to pay to producers or cooperative associations should pay the difference into the producer-settlement fund; all handlers who are required to pay more to producers or cooperative associations than they are required to pay for their milk on the basis of utilization should receive the difference from the producer-settlement fund. Amounts paid into and out of the producer-settlement fund for this purpose will be equal except for minor differences that may result from rounding of uniform prices.

In order to permit this rounding of prices, to allow for unavoidable delays in receiving payments from handlers, and to permit payments to be made to any handler which audit by the market administrator reveals is due such handler from the producer-settlement fund, a reserve should be held in the producer-settlement fund at all times. The amount of the reserve contemplated in the proposed order should be sufficient for these purposes. This reserve would be adjusted each month.

4. *Seasonal incentive plan.* Exceptions to the recommended decision emphasized the necessity that the Suburban order provide a "take out-pay back" seasonal production incentive plan should the St. Louis order be amended to provide such a plan as was proposed at the hearing held in St. Louis during January 1960. Otherwise, as the exceptions emphasized, the alignment of uniform prices between the two orders would be destroyed.

A "take out-pay back" seasonal incentive method provides that a specified amount of money is deducted from the uniform prices computed for the months when production is seasonally high and an amount proportional to the total deducted is added to the uniform prices computed for the months when production is seasonally low.

Provision should be made to include a like plan for the Suburban order since the St. Louis order was amended to provide a "take out-pay back" plan effective April 1, 1960, as hereby officially noticed. This will eliminate extreme seasonal producer price misalignment between the two orders.

(e) *Administrative provisions.* The remaining provisions are of a general administrative nature, are incidental to the other provisions of the proposed order, and are necessary for proper and efficient administration. They provide for the selection of a market administrator, define his powers and duties, provide for an administrative assessment, prescribe the information to be reported by handlers and set forth the rules to be followed in making the computations required. They also prescribe the length of time that records must be retained and provide a plan for the liquidation of the order in the event of suspension or termination. They are similar to like provisions of other milk orders, and, except as set forth below, require no comment.

1. *Records and reports.* Provisions should be included in the order to advise handlers that they are required to maintain adequate records of their operations and to make the reports necessary to establish classification of producer milk and payments due for such milk. Time limits must be prescribed for filing such reports. Dates must also be established for the announcement of prices by the market administrator.

It should be provided that the market administrator report to each cooperative association which so requests, the percentage class utilization of milk received by each handler from producers who are members of such cooperative association. For the purpose of this report, the utilization of members' milk in each handler's plant will be prorated to each class in the proportion that total receipts of producer milk were used in by such handler. These reports are necessary for the cooperative association to market effectively the milk of its members.

Reports are required from handlers on receipts and utilization so that the market administrator may make the computations necessary for the marketwide and the uniform price. Handlers are also required to submit payroll reports which would show the details of milk receipts from each producer, the value of the milk received from the producer, deductions therefrom, and the net amount paid to the producer.

There are limitations on the period of time handlers shall retain books and records which are required to be made available to the market administrator, and on a period of time after which obligations under the order shall terminate. The provision made in this regard is identical in principle with the general amendment made to all orders in operation on July 30, 1947, effective February 22, 1949. The Secretary's decision of January 26, 1949 (14 F.R. 444), covering the retention of records and limitations of claims is equally applicable in this situation and is adopted as part of this decision.

Dates must be prescribed for announcing prices, filing reports and making payments. The following time schedule (which applies to the indicated day of the month following the month for which computations are being made) should allow all interested persons adequate time to perform each function:

6th: Announcement by the market administrator of the Class I price and Class I butterfat differential for the current month and of the Class II price and Class II butterfat differential for the preceding month.

7th: Submission by handlers of report of monthly receipts and utilization.

12th: Announcement by market administrator of uniform prices.

12th: Notification by market administrator to handlers of the value of their producer milk, the amounts due to or payable from producer-settlement fund, and the amounts due the administrative assessment and marketing service accounts.

15th: Payment by handlers of amounts due to producer-settlement fund.

17th: Payments by market administrator out of producer-settlement fund.

18th: Payments by handlers to cooperative associations.

20th: Payments by handlers to producers and to market administrator for expenses of administration and marketing services.

2. *Expenses of administration.* Each handler operating a pool plant, or a cooperative association in its capacity as

a handler, should be required to pay to the market administrator, as his pro rata share of the cost of administering the order, not more than 5 cents per hundredweight, or such lesser amounts as the Secretary may prescribe, with respect to:

(a) Producer milk (including such handler's own production);

(b) Other source milk allocated to Class I which is not classified and priced under another Federal order; and

(c) As previously specified with respect to nonpool plants from which Class I milk is distributed in the marketing area.

Each handler operating a nonpool plant from which milk is distributed in the marketing area should pay the same rate of assessment on the basis of the hundredweight of Class I milk distributed in the marketing area or on the basis of total receipts from qualified dairy farmers and unpriced other source milk allocated to Class I. The findings and conclusions relative to the necessity of the alternative determination of the expense of administration payable by such handlers have been detailed previously in this decision.

The market administrator must have sufficient funds to enable him to administer properly the terms of the order. The Act provides that such costs of administration shall be financed through an assessment on handlers. In view of the manner in which the regulation applies to various handlers and types of handler operations, the described application of administrative assessment appropriately assigns a proportionate share of expense to each handler.

The volume of milk which would be subject to administrative assessment in the Suburban market is relatively small in relation to that in some other Federal markets. It is necessary, therefore, to prescribe a somewhat higher rate of assessment for this market than is prescribed for larger markets to insure that the market administrator has adequate funds to perform his obligations. It is therefore determined that an administrative assessment rate of 5 cents is needed to assure proper administration of this order. Provision should be made to reduce this rate if experience shows that a lower rate is adequate.

3. *Marketing services.* A provision should be included in the order for furnishing market services to producers, such as verifying the tests and weights of producer milk, and furnishing market information. These services should be provided by the market administrator, unless such services are provided by a qualified cooperative association for its producer-members. The costs should be borne by the producers receiving the service. A marketing service assessment of 6 cents per hundredweight is necessary in this market. This amount should be deducted from payments to such producers for the use of the market administrator in financing such services. Provision should be made for the Secretary to reduce this rate if experience shows a lower rate will furnish adequate funds for supplying such service by the market administrator. For producers for whom a cooperative association is rendering such services, the handler should pay to the cooperative association such deductions as the producer has authorized the cooperative to collect in lieu of the payments to the market administrator.

4. *Interest payments.* Provision should be made for the payment of interest on amounts due to or from accounts of the market administrator, at the rate of one-half of one percent per month or any portion thereof that the account is overdue.

This method of charging interest is closely analogous to the common business practice of allowing a discount on payments made for goods within a specified period, charging the full invoice amount for a subsequent period, and accruing interest thereafter. The date for payments to and from the market administrator for the producer settlement fund and to him for the administrative and marketing service accounts are specified in the order. In consideration of this specific notice to interested parties, the interest charge should begin on the first day after the due date. Thereafter it continues to accrue at the rate of one-half of one percent per month, a reasonable rate to compensate for the cost of borrowing money and in accord with business practice.

Interest charges should not be assessed on payments due individual producers or cooperative associations since these are not routinely subject to supervision by the market administrator.

Rulings on proposed findings and conclusions. Briefs and proposed findings and conclusions were filed on behalf of certain interested parties in the market. These briefs, proposed findings and conclusions, and the evidence in the record were considered in making the findings and conclusions set forth above. To the extent that the suggested findings and conclusions filed by interested parties are inconsistent with the findings and conclusions set forth herein, the requests to make such findings or to reach such conclusions are denied for the reasons previously stated in this decision.

General findings. (a) The proposed marketing agreement and order and all of the terms and conditions thereof, will tend to effectuate the declared policy of the Act;

(b) The parity prices of milk as determined pursuant to section 2 of the Act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and the order are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The proposed marketing agreement and order will regulate the handling of milk in the same manner as, and will be applicable to persons in the respective classes of industrial and commercial activity specified in, a marketing agreement upon which a hearing has been held.

Rulings on exceptions. In arriving at the findings and conclusions, and the regulatory provisions of this decision, each of the exceptions received was carefully and fully considered in conjunction with the record evidence pertaining thereto. To the extent that the findings and conclusions, and the regulatory provisions of this decision are at variance with any of the exceptions, such exceptions are hereby overruled for the reasons previously stated in this decision.

Recommended marketing agreement and order. The following order regulating the handling of milk in the Suburban St. Louis marketing area is recommended as the detailed and appropriate means by which the foregoing conclusions may be carried out. The recommended marketing agreement is not included in this decision because the regulatory provisions thereof would be the same as those contained in the proposed order.

DETERMINATION OF UNIFORM PRICE TO PRODUCERS

DEFINITIONS

§ 947.1 Act.

"Act" means Public Act No. 10, 73d Congress, as amended, and as re-enacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.).

§ 947.2 Secretary.

"Secretary" means the Secretary of Agriculture of the United States or any officer or employee of the United States authorized to exercise the powers and to perform the duties of the Secretary of Agriculture.

§ 947.3 Department.

"Department" means the United States Department of Agriculture.

§ 947.4 Person.

"Person" means any individual, partnership, corporation, association, or any other business unit.

§ 947.5 Cooperative association.

"Cooperative association" means any cooperative marketing association of producers which the Secretary determines:

(a) To be qualified under the provisions of the Act of Congress, February 18, 1922, as amended, known as the "Capper-Volstead Act"; and

(b) To be engaged in making collective sales, or marketing milk or its products for its members.

§ 947.6 Suburban St. Louis marketing area.

"Suburban St. Louis marketing area" (hereinafter called the marketing area) means all the territory, including all Government installations, within the perimeter boundaries of the area which includes the counties of Bond, Calhoun, Clinton, Fayette, Franklin, Greene, Jackson, Jefferson, Jersey, Macoupin, Madison, Marion, Monroe, Montgomery, Perry, Randolph, St. Clair (except Scott Military Reservation, East St. Louis, Centerville, Canteen and Stites Townships and the city of Belleville), Washington and Williamson, all in the State of Illinois. "Base zone" means that portion of the marketing area included in Clinton, Franklin, Jackson, Jefferson, Madison, Marion, Monroe, Perry, Randolph, St. Clair, Washington and Williamson Counties. "Northern zone" means that portion of the marketing area included in Bond, Calhoun, Fayette, Greene, Jersey, Macoupin and Montgomery Counties.

§ 947.7 Producer.

"Producer" means any person, except a producer-handler or a dairy farmer for other markets, who produces milk in compliance with the Grade A inspection requirements of a duly constituted health authority, and whose milk is (a) delivered directly from the farm to a pool plant, or (b) diverted to a nonpool plant which is not a pool plant under the terms of another order issued pursuant to the Act for the account of a handler any number of days during the months of March through July or to the extent of not more than 10 days' production during any month from August through February. Milk so diverted shall be deemed to have been received by the diverting handler at a pool plant at the location of the plant from which diverted.

§ 947.8 Producer-handler.

"Producer-handler" means any person who operates a distributing plant and processes milk from his own farm production, and who distributes all or a portion of such milk within the marketing area on a route but who receives no milk from other dairy farmers or from nonpool plants in the form of items designated in § 947.41(a): *Provided,* That such person provides proof satisfactory to the market administrator that (a) the care and management of all the dairy animals and other resources used to produce milk on his own farm(s) are the personal enterprise of and at the personal risk of such person, and (b), the operation of the processing and distribution facilities is the personal enterprise of and at the personal risk of such person.

§ 947.9 Handler.

"Handler" means:

(a) Any person in his capacity as the operator of a distributing plant or a supply plant;

(b) Any cooperative association with respect to milk from producers diverted for its account from a pool plant to a nonpool plant; and

(c) Any cooperative association with respect to the milk of its members which is delivered from the farm to the pool plant of another handler in a tank truck owned and operated by, or under contract to such cooperative association, if the cooperative association, prior to delivery, notifies in writing the market administrator and the handler to whose plant the milk is delivered, that it will be the handler for the milk. Milk so delivered shall be deemed to have been received by the cooperative association at a pool plant at the location of the pool plant to which it is delivered.

§ 947.10 Dairy farmer for other markets.

"Dairy farmer for other markets" means any dairy farmer whose milk is received at a pool plant during any of the months of March through July of 1961 and any year thereafter from a farm from which approved milk, which was not producer milk under this part, was delivered to another market to the extent of more than 15 days production during any of the preceding months of August through February: *Provided,* That milk from the same dairy farm was delivered by the same dairy farmer to a plant which was a pool plant during any of the months of March through July preceding the August through February period.

§ 947.11 Distributing plant.

"Distributing plant" means a plant at which approved milk is processed and packaged and from which approved milk is disposed of during the month as Class I milk in the marketing area on routes.

§ 947.12 Supply plant.

"Supply plant" means a plant from which approved milk is moved during the month to a distributing plant which is a pool plant.

§ 947.13 Pool plant.

"Pool plant" means:

(a) A distributing plant from which during the month not less than 50 percent of total receipts of approved milk from dairy farmers and from cooperative associations in their capacity as handlers pursuant to § 947.9(c) is distributed as Class I milk on routes, and from which not less than 20 percent of the plant's total Class I sales are disposed of in the marketing area on routes;

(b) A supply plant from which during the month not less than 50 percent of total receipts of approved milk from dairy farmers and from cooperative associations in their capacity as handlers pursuant to § 947.9(c) is shipped to distributing pool plants from each of which not less than 50 percent of total receipts of approved milk is distributed as Class I milk on routes: *Provided,* That a supply plant which qualifies as a pool plant in each of the months of August through January shall be a pool plant in each of the following months of February through July unless the operator of such plant submits a written request to the market administrator that such plant not be a pool plant, such nonpool status to be effective the first month following such notice and thereafter until the plant qualifies as a pool plant on the basis of shipments: *And provided further,* That for each month from the effective date of this order through July 1960, a supply plant may be a pool plant if the operator of such supply plant furnishes proof that 50 percent of such plant's receipts of approved milk of dairy farmers during the preceding period of August through January, inclusive, was shipped to distributing plants pursuant to paragraph (a) of this section.

§ 947.14 Nonpool plant.

"Nonpool plant" means any milk receiving, manufacturing, or processing plant other than a pool plant.

§ 947.15 Producer milk.

"Producer milk" means only that skim milk and butterfat contained in milk (a) received at a pool plant directly from producers, or (b) received by a cooperative association in its capacity as a handler pursuant to § 947.9 (b) and (c).

§ 947.16 Approved milk.

"Approved milk" means any skim milk and butterfat contained in milk, skim milk or cream which is approved by a duly constituted health authority for distribution as Class I milk.

§ 947.17 Other source milk.

"Other source milk" means all skim milk and butterfat contained in:

(a) Receipts during the month in the form of products designated as Class I milk pursuant to § 947.41(a), except (1) such products received from a pool plant, or (2) producer milk; and

(b) Products designated as Class II milk pursuant to § 947.41(b)(1) from any source (including those from a plant's own production), which are reprocessed or converted to another product in the plant during the month.

§ 947.18 Route.

"Route" means disposition of Class I products (including disposition through a vendor and sales from a plant or plant store) to a wholesale or retail stop other than to a pool or nonpool plant.

MARKET ADMINISTRATOR

§ 947.20 Designation.

The agency for the administration of this part shall be a market administrator, appointed by the Secretary, who shall be entitled to such compensation as may be determined by, and shall be subject to removal by the Secretary.

§ 947.21 Powers.

The market administrator shall have the following powers with respect to this part:

(a) Administer its terms and provisions;

(b) Receive, investigate, and report to the Secretary complaints of violations;

(c) Make such rules and regulations as are necessary to effectuate its terms and provisions; and

(d) Recommend amendments to the Secretary.

§ 947.22 Duties.

The market administrator shall perform all the duties necessary to administer the terms and provisions of this part, including, but not limited to, the following:

(a) Within 45 days following the date on which he enters on duty, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond, effective as of the date on which he enters upon his duties and conditioned upon the faithful performance of his duties, in an amount and with surety thereon satisfactory to the Secretary;

(b) Employ and fix the compensation of such persons as may be necessary to enable him to administer the terms and provisions of this part;

(c) Obtain a bond in a reasonable amount, and with reasonable surety thereon, covering each employee who handles funds entrusted to the market administrator;

(d) Pay from the funds received pursuant to § 947.87, the cost of his bond and of the bonds of his employees, his own compensation and all other expenses, except those incurred under § 947.88 that are necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties;

(e) Keep such books and records as will clearly reflect the transactions provided for in this part, and upon request by the Secretary submit such books and records to examination by the Secretary and such other persons as the Secretary may designate;

(f) Prepare and disseminate, for the benefit of producers, consumers, and handlers, such statistics and information concerning the operation of this part as do not reveal confidential information;

(g) Verify all reports and payments of each handler by audit or such other investigation as may be necessary, of such handler's records and facilities and of the records and facilities of any other person upon whose utilization the classification of skim milk and butterfat for such handler depends;

(h) Publicly announce on or before:

(1) The 6th day of each month, the minimum price for Class I milk, pursuant to § 947.51(a), and the Class I butterfat differential, pursuant to § 947.53 (a), both for the current month; and the minimum price for Class II milk, pursuant to § 947.51(b), and the Class II butterfat differential, pursuant to § 947.53 (b), both for the preceding month; and

(2) The 12th day after the end of each month, the uniform price, pursuant to § 947.71, and the producer butterfat differential, pursuant to § 947.81.

(i) On or before the 12th day after the end of each month, report to each cooperative association which so requests, the class utilization of producer milk received by each handler from members of the association. For the purpose of this report, the milk so received shall be allocated to each class for each handler in the same ratio as all approved milk received by such handler during the month; and

(j) The 12th day after the end of each month, report to each handler the amount and value of producer milk, amounts payable to or payable from the producer-settlement fund, and amounts due the administrative assessment and marketing service accounts.

REPORTS, RECORDS AND FACILITIES

§ 947.30 Reports of receipts and utilization.

On or before the 7th day after the end of each month, each handler, for each of his pool plants, and each cooperative association who is a handler pursuant to § 947.9 (b) and (c), shall report to the market administrator for the preceding month, in the detail and on the forms prescribed by the market administrator, the following information:

(a) The quantities of skim milk and butterfat contained in producer milk;

(b) The quantities of skim milk and butterfat contained in milk and milk products received from other pool plants;

(c) The quantities of skim milk and butterfat contained in other source milk, including milk under other Federal orders;

(d) The inventories of Class I milk and milk products on hand at the beginning and end of the month;

(e) The utilization of all skim milk and butterfat required to be reported by this section;

(f) The name and address of each producer from whom milk was not received during the previous month, and the date in the month on which milk was first received from such producer;

(g) The name and address of each producer who discontinues deliveries of milk, and the date on which milk was last received from such producer; and

(h) Such other information with respect to receipts and utilization of milk and milk products as the market administrator may request.

§ 947.31 Other reports.

(a) On or before the 7th day after the end of the month, each handler, except a producer-handler, who operates a nonpool plant from which fluid milk products are disposed of during the month in the marketing area on routes shall report to the market administrator the quantities of skim milk and butterfat so disposed of, and shall make such other reports with respect to receipts of milk and utilization thereof as are requested by the market administrator.

(b) Each producer-handler shall make reports to the market administrator at such time and in such manner as the market administrator may prescribe.

§ 947.32 Payroll reports.

On or before the 20th day after the end of the month, each handler shall report to the market administrator in the detail and on forms prescribed by the market administrator his producer payroll for that month, which shall show for each producer:

(a) His name and address;

(b) The total pounds of milk received from such producer;

(c) The plant at which such milk was received;

(d) The days for which milk was received from such producer;

(e) The average butterfat content of such milk; and

(f) The net amount of the handler's payment to the producer, together with the price paid and the amount and nature of any deductions.

§ 947.33 Reports to cooperative associations.

Each handler who receives milk during the month from producers for which payment is to be made to a cooperative association pursuant to § 947.80(b) shall report to such cooperative association for each such producer on forms ap-

proved by the market administrator as follows:

(a) On or before the 25th day of the month, the total pounds of milk received during the first 15 days of such month;

(b) On or before the 7th day after the end of the month (1) the total pounds of milk received from each producer together with the butterfat content of such milk, and (2) the amount or rate and nature of any deductions authorized by a cooperative association.

§ 947.34 Reports of transportation rates.

On or before the 10th day after a request is received from the market administrator, each handler who makes deductions from payments to producers for hauling shall submit a schedule of transportation rates which are charged and paid for such transportation of milk from the farm of the producer to such handler's plant(s). Any changes made in this schedule of transportation rates and the effective dates thereof shall be reported to the market administrator within 10 days.

§ 947.35 Records and facilities.

Each handler shall maintain and make available to the market administrator or to his representative during the usual hours of business, such accounts and records of his operations, together with such facilities as are necessary for the market administrator to verify or establish the correct data which are required to be reported pursuant to §§ 947.30 through 947.34 and the payments required to be made pursuant to §§ 947.80 through 947.88.

§ 947.36 Retention of records.

All books and records required under this part to be made available to the market administrator shall be retained by the handler for a period of 3 years to begin at the end of the calendar month to which such books and records pertain: *Provided,* That if, within such 3-year period, the market administrator notifies the handler in writing that the retention of such books and records, or of specified books and records, is necessary in connection with a proceeding under section 8c(15)(A) of the Act or a court action specified in such notice, the handler shall retain such books and records or specified books and records, until further written notification from the market administrator. In either case, the market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION OF MILK

§ 947.40 Basis of classification.

All skim milk and butterfat received by a handler at a pool plant or by a cooperative association in its capacity as a handler pursuant to § 947.9(c) which is required to be reported pursuant to § 947.30 shall be classified by the market administrator pursuant to the provisions of §§ 947.41 through 947.45.

§ 947.41 Classes of utilization.

Subject to the conditions set forth in §§ 947.42 and 947.43, the classes of utilization shall be as follows:

(a) *Class I milk.* Class I milk shall be all skim milk and butterfat:

(1) Disposed of in fluid form as milk, skim milk, buttermilk, flavored milk, milk drinks (plain or flavored), cream (sweet or sour), concentrated milk, fortified milk or skim milk, reconstituted milk or skim milk and mixtures of milk, skim milk or cream (except frozen dessert mixes, eggnog, aerated cream, and sterilized products in hermetically sealed containers); and

(2) Not specifically accounted for as Class II milk.

(b) *Class II milk.* Class II milk shall be all skim milk and butterfat:

(1) Used to produce any product other than those specified as Class I in paragraph (a)(1) of this section;

(2) In inventory on hand in the form of products designated as Class I milk in paragraph (a) of this section at the end of the month;

(3) Accounted for and used for livestock feed;

(4) Dumped (skim milk portion only) with the prior approval of the market administrator;

(5) Actual shrinkage of skim milk and butterfat allocated pursuant to § 947.46(b)(2) not to exceed the following: 2 percent of the skim milk and butterfat, respectively, received from producers except that which is diverted pursuant to § 947.7, plus one and one-half percent of skim milk and butterfat, respectively, received from pool plants of other handlers in bulk tank lots or from a cooperative association which is the handler for the milk pursuant to § 947.9(c), less one and one-half percent of skim milk and butterfat, respectively, disposed of in bulk tank lots to other plants excluding milk diverted pursuant to § 947.7; and

(6) In shrinkage of skim milk and butterfat, respectively, allocated to other source milk pursuant to § 947.46(b)(1).

§ 947.42 Responsibility of handlers.

In establishing the classification of skim milk and butterfat as required by this part, the burden rests upon the handler who first receives such skim milk and butterfat to establish to the satisfaction of the market administrator that such skim milk and butterfat should not be classified as Class I.

§ 947.43 Transfers.

Skim milk and butterfat transferred or diverted in bulk form as any item specified in § 947.41(a)(1) from a pool plant or by a cooperative association in its capacity as a handler pursuant to § 947.9(b) and (c) shall be classified as follows:

(a) As Class I milk if transferred to a pool plant unless:

(1) The transferee and transferor-handlers claim Class II utilization in their reports submitted pursuant to § 947.30;

(2) The transferee plant has utilization in Class II of an equivalent amount of skim milk and butterfat, respectively, after the subtractions pursuant to § 947.45(a)(1), (2), (3), and (4) and the corresponding subtractions pursuant to § 947.45(b): *Provided,* That if the transferor plant receives other source milk, the classification of the skim milk and butterfat transferred results in the highest valued class utilization to milk of producers; and

(3) In the case of transfers by a cooperative association, the milk shall be allocated pro rata to each class in the proportion remaining after the computations pursuant to § 947.45(a)(7) and the corresponding step of (b).

(b) As Class I milk if moved to the plant of a producer-handler.

(c) As Class I milk if moved to a nonpool plant which is not the plant of a producer-handler unless:

(1) The transferee plant is located less than 150 miles from the main U.S. post office in either Alma, Alton, Benton or Red Bud, Illinois; or less than 50 miles from the transferor plant, by shortest highway distance as determined by the market administrator.

(2) The transferor-handler claims classification of such skim milk and butterfat in Class II in his report submitted pursuant to § 947.30; and

(3) The operator of the transferee plant maintains books and records showing the utilization of skim milk and butterfat at such plant, which are made available if requested by the market administrator for the purpose of verification.

(d) As Class I if moved to a nonpool plant to the extent of the pro rata quantity of skim milk and butterfat pursuant to the following computations if the skim milk and butterfat, respectively, is not classified as Class I milk pursuant to paragraph (c) of this section:

(1) From the total skim milk and butterfat, respectively, disposed of from such nonpool plant and classified as Class I milk pursuant to the classification provisions of this part applied to such nonpool plant, subtract the skim milk and butterfat received at such plant directly from dairy farmers who are approved to supply Grade A milk and who the market administrator determines constitute the regular source of supply for such nonpool plant;

(2) From the remaining amount of skim milk and butterfat, respectively, classified as Class I milk at such nonpool plant subtract an Class I milk received in consumer-type packages from a plant fully regulated by this or another Federal order issued pursuant to the Act;

(3) Prorate the remaining Class I milk to bulk receipts at the nonpool plant which are fully subject to the classification and pricing provisions of this and other Federal milk orders issued pursuant to the Act; and

(4) The quantity of such Class I prorated to receipts from pool plants subject to this part shall be further prorated to such plants in accordance with the quantities claimed to be moved to such nonpool plant as Class II milk.

§ 947.44 Computation of skim milk and butterfat in each class.

For each month the market administrator shall correct for mathematical and other obvious errors the reports submitted by each handler and compute the total pounds of skim milk and butterfat, respectively, in each class, at each of the pool plants of such handler, or in the case of a cooperative association for that milk received pursuant to § 947.9(c) or diverted to a nonpool plant pursuant to § 947.9(b): *Provided,* That if any of the water contained in the milk from which a product is made is removed before the product is utilized or disposed of by a handler, the pounds of skim milk used or disposed of in such product shall be considered to be a quantity equivalent to the nonfat milk solids contained in such product plus all of the water originally associated with such solids.

§ 947.45 Allocation of skim milk and butterfat.

(a) The pounds of skim milk remaining in each class after making the following computations with respect to each pool plant shall be the pounds of skim milk in each class allocated to the producer milk received at such plant:

(1) Subtract from the total pounds of skim milk in Class II milk the shrinkage of skim milk classified as Class II milk pursuant to § 947.41(b)(5);

(2) Subtract from the total pounds of skim milk in Class I milk the pounds of skim milk in Class I products received in consumer packages and disposed of in the same packages, if such skim milk is subject to the Class I pricing provisions of another order issued pursuant to the Act: *Provided,* That the same Class I products are not processed and packaged in containers of the same type and size in the plant during the month;

(3) Subtract from the pounds of skim milk in each class, in series beginning with Class II milk, the pounds of skim milk in other source milk which is not classified, priced and pooled as Class I under the terms of another order issued pursuant to the Act (with that subject to another order subtracted last);

(4) Subtract from the pounds of skim milk remaining in each class, in series beginning with Class II milk, the pounds of skim milk in other source milk not subtracted pursuant to subparagraph (2) of this paragraph which is priced and pooled as Class I under the terms of another order issued pursuant to the Act;

(5) Subtract from the pounds of skim milk remaining in each class, in series beginning with Class II milk the pounds of skim milk contained in inventory of items designated as Class I milk pursuant to § 947.41(a) on hand at the beginning of the month;

(6) Add to the pounds of skim milk remaining in Class II milk the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph; and

(7) Subtract the pounds of skim milk in items designated in Class I milk pursuant to § 947.41(a) received from other pool plants and from cooperative associations which are the handlers for the milk pursuant to § 947.9(c) from the pounds of skim milk in the respective classes in which such skim milk is classified pursuant to § 947.43(a); and

(8) If the pounds of skim milk remaining in all classes exceed the pounds of skim milk in milk received from producers, subtract such excess from the pounds of skim milk remaining in series beginning with Class II milk. Any amount so subtracted shall be known as "overage".

(b) Determine the pounds of butterfat in each class to be allocated to producer milk in the manner prescribed in paragraph (a) of this section for determining the allocation of skim milk to producer milk; and

(c) Add the pounds of skim milk and pounds of butterfat remaining in producer milk in each class pursuant to paragraphs (a) and (b) of this section and determine the percentage of butterfat in producer milk in each class.

§ 947.46 Shrinkage.

The market administrator shall allocate shrinkage to each pool plant and to a cooperative association in its capacity as a handler pursuant to § 947.9(c) as follows:

(a) Compute the total shrinkage of skim milk and butterfat for each handler; and

(b) Prorate the resulting amounts between (1) skim milk and butterfat in other source milk received in bulk fluid form, and (2) skim milk and butterfat in producer milk (excluding diverted milk) and in bulk fluid receipts from other pool plants and from cooperative associations in their capacity as handlers pursuant to § 947.9(c).

MINIMUM PRICE

§ 947.50 Basic formula price.

The basic formula price for each month to be used in determining the class prices, set forth in § 947.51, shall be the higher of the prices computed pursuant to paragraphs (a) and (b) of this section, rounded to the nearest cent.

(a) Determine the average of the basic or field prices paid or to be paid per hundredweight for milk of 3.5 percent butterfat content received from farmers during the month at the following plants or places for which prices have been reported to the market administrator or the Department of Agriculture:

Concern and Location

Borden Co., Mount Pleasant, Mich.
Borden Co., Orfordville, Wis.
Borden Co., New London, Wis.
Carnation Co., Ava Mo.
Carnation Co., Seymour, Mo.
Carnation Co., Sparta, Mich.
Carnation Co., Richland Center, Wis.
Carnation Co., Oconomowoc, Wis.
Litchfield Creamery Co., Litchfield, Ill.
Pet Milk Co., Greenville, Ill.
Pet Milk Co., Wayland, Mich.
Pet Milk Co., Coopersville, Mich.
Pet Milk Co., New Glarus, Wis.
Pet Milk Co., Belleville, Wis.
White House Milk Co., Manitowoc, Wis.
White House Milk Co., West Bend, Wis.

(b) The price per hundredweight obtained by adding any plus amounts obtained pursuant to subparagraphs (1) and (2) of this paragraph:

(1) Multiply by 3.5 the simple average as computed by the market administrator of the daily wholesale selling prices (using the midpoint of any price range as one price) of 92-score bulk creamery butter per pound at Chicago, as reported by the Department during the month; add 20 percent thereof;

(2) From the weighted average of carlot prices per pound of nonfat dry milk spray and roller process, respectively, for human consumption, f.o.b. manufacturing plants in the Chicago area, as published for the month by the Department, subtract 5.5 cents and multiply by 7.0.

§ 947.51 Class prices.

Subject to the provisions of §§ 947.52 and 947.53 the minimum class prices per hundredweight for the month shall be determined by the market administrator as follows:

(a) *Class I price.* The price per hundredweight of Class I milk for the first eighteen months beginning with the effective date of this section at plants located in the base zone shall be 10 cents less, and at plants located in the northern zone shall be 15 cents less than the St. Louis Federal milk order (Part 903 of this chapter), Class I price effective at a pool plant located at Collinsville, Illinois.

(b) The price per hundredweight of Class II milk shall be the St. Louis Federal milk order (Part 903 of this chapter) Class II price for the same month.

§ 947.52 Location differentials to handlers.

For producer milk which is received at a pool plant located 50 miles or more from the main U.S. post office in either Alma, Alton, Benton or Red Bud, Illinois, whichever is nearest, by the shortest hard-surfaced highway distance, as determined by the market administrator, and which is classified as Class I milk, the price specified in § 947.51(a) for plants located in the base zone shall be reduced at the rate set forth in the following schedule:

Distance (miles):	*Rate per hundredweight (cents)*
50 but not more than 60	9
For each additional 10 miles or fraction thereof	1.5

Provided, That for the purpose of calculating such location differential, transfers of milk, skim milk and cream between pool plants shall be assigned to Class I milk in a volume not in excess of that by which Class I disposition at the transferee plant exceeds receipts from producers and from coperative associations in the capacity as a handler, such assignment to transferor plants to be made first to plants at which no location credit is applicable and then in sequence beginning with the plant at which the lowest location differential would apply.

§ 947.53 Butterfat differentials to handlers.

If the average butterfat test of Class I milk or Class II milk, as calculated pursuant to § 947.45(c), is more or less than 3.5 percent, there shall be added to, or

subtracted from, respectively, the price for such class of utilization, for each one-tenth of one percent that such average butterfat test is above or below 3.5 percent, a butterfat differential calculated for each class of utilization as follows:

(a) *Class I milk.* Multiply by 0.120 the average of the daily wholesale prices (using the midpoint of any price range as one price) of 92-score bulk creamery butter per pound at Chicago, as reported by the Department of Agriculture during the previous month, and round to the nearest one-tenth cent.

(b) *Class II milk.* Multiply by 0.115 the average of the daily wholesale prices (using the midpoint of any price range as one price) of 92-score bulk creamery butter per pound at Chicago, as reported by the Department of Agriculture during the month, and round to the nearest one-tenth cent.

§ 947.54 Use of equivalent prices.

If for any reason a price quotation required by this part for computing class prices or for other purposes is not available in the manner described, the market administrator shall use a price determined by the Secretary to be equivalent to the price which is required.

§ 947.55 Rate of payment on unpriced milk.

The rate of payment per hundredweight on unpriced Class I milk shall be calculated as follows:

(a) For the months of March through July subtract the Class II price, adjusted by the Class II butterfat differential, from the applicable Class I price, adjusted by the Class I butterfat differential and the Class I location differential at the location of the plant from which such milk is supplied.

(b) For the months of August through February, subtract the uniform price adjusted by the producer butterfat and location differentials from the Class I price adjusted by the Class I butterfat and location differentials at the location of the plant from which such milk is supplied.

APPLICATION OF PROVISIONS

§ 947.60 Producer-handlers.

Sections 947.40 through 947.45, 947.50 through 947.53, 947.70 through 947.71, and 947.80 through 947.88 shall not apply to a producer-handler.

§ 947.61 Plants subject to other Federal orders.

The provision of this part shall not apply to a plant specified in paragraph (a), (b) or (c) of this section except as follows: The operator of such plant shall, with respect to the total receipts and utilization or disposition of skim milk and butterfat at the plant, make reports to the market administrator at such time and in such manner as the market administrator may require, and allow verification of such reports by the market administrator.

(a) Any distributing plant which would be subject to the classification and pricing provisions of another order issued pursuant to the Act unless such plant qualifies as a pool plant pursuant to § 947.13(a) and the Secretary determines that more Class I milk is disposed of from such plant to retail or wholesale outlets (except pool plants) in the Suburban St. Louis marketing area than in the marketing area regulated pursuant to such other order;

(b) Any supply plant which would be subject to the classification and pricing provisions of another order issued pursuant to the Act unless such plant is a pool plant pursuant to the first or second proviso of § 947.13(b); or

(c) The Secretary determines that a plant should be subject to another order.

§ 947.62 Handlers operating nonpool distributing plants.

On or before the 25th day after the end of each month, each handler, except a producer-handler, operating a nonpool distributing plant shall pay to the market administrator the amounts computed pursuant to paragraph (a) of this section, unless the handler elects at the time of reporting pursuant to § 947.31(a) to pay the amounts computed pursuant to paragraph (b) of this section;

(a) An amount:

(1) For deposit to the producer-settlement fund, equal to the hundredweight of skim milk and butterfat disposed of from such nonpool plant as Class I milk in the marketing area on routes multiplied by the rate of payment on unpriced milk pursuant to § 947.55; and

(2) For administrative assessment, equal to the rate specified in § 947.87 multiplied by the hundredweight of such Class I skim milk and butterfat disposed of in the marketing area on routes, unless an administrative assessment is applied to milk at such nonpool plant pursuant to another order issued pursuant to the Act on the same basis as plants fully regulated by such other order; or

(b) An amount:

(1) For deposit to the producer-settlement fund, equal to any plus amount remaining after deducting the amounts computed under subdivisions (i) and (ii) of this subparagraph from the obligation that would have been computed pursuant to § 947.70 for such nonpool plant and any supply plant(s) (meeting the requirements equivalent to § 947.13(b)) which serves as a source of milk for such nonpool plant, had such plant(s) been a pool plant(s):

(i) The gross payments made on or before the 20th day after the end of the month for milk received at such nonpool plant(s) during the month from dairy farmers who supply approved milk, and

(ii) Any payments to the producer-settlement funds under other orders issued pursuant to the Act applicable to milk handled at such plant during the month as a partially regulated plant under such other orders;

(2) For administrative assessment, equal to the amount which would have been computed pursuant to § 947.87 if such nonpool plant were a pool plant during the month: *Provided,* That such amount shall be reduced by any amount paid as an administrative expense assessment determined on the basis of Class I milk disposed of on routes in other marketing areas, pursuant to the terms of other orders issued pursuant to the Act: *And provided further,* That

(i) If less Class I milk is disposed of from such nonpool plant on routes in the Suburban St. Louis marketing area than is disposed of on routes in another marketing area as defined in an order issued pursuant to the Act, and

(ii) If an administrative expense assessment is applied at such nonpool plant as if a fully regulated plant pursuant to the order for the marketing area where the volume of Class I milk disposed of from such nonpool plant is greatest, no administrative expense assessment shall be applicable under this order.

DETERMINATION OF UNIFORM PRICE TO PRODUCERS

§ 947.70 Computation of the obligation of each handler.

For each month the market administrator shall compute the value of producer milk for each handler as follows:

(a) Multiply the quantity of producer milk in each class computed pursuant to § 945.45 by the applicable class price and total the resulting amounts;

(b) Add an amount computed as follows: Multiply the pounds of skim milk and butterfat subtracted from Class I milk pursuant to § 947.45 (a) (3) and (b) by the rate of payment on unpriced milk pursuant to § 947.55 adjusted by the location differential applicable at the nearest plant(s) from which an equivalent amount of other source milk was received;

(c) Add the amount computed by multiplying the pounds of overage deducted from each class pursuant to § 947.45 (a) (8) and (b) by the applicable class price; and

(d) Add the amounts computed under subparagraphs (1) and (2) of this paragraph:

(1) Multiply the difference between the applicable Class II price for the preceding month and the applicable Class I price for the month by the pounds of skim milk and butterfat remaining in Class II milk after the calculations pursuant to § 947.45(a) (5) and the corresponding step of (b) for the preceding month, or the pounds of skim milk and butterfat subtracted from Class I milk pursuant to § 947.45(a) (5) and the corresponding step of (b) for the month, whichever is less;

(2) Multiply the rate of payment on unpriced milk pursuant to § 947.55 by the pounds of skim milk and butterfat subtracted from Class I pursuant to § 947.45(a) (5) and the corresponding step of (b), which are in excess of the sum of (i) the pounds of skim milk and butterfat, respectively, on which a payment is applicable pursuant to subparagraph (1) of this paragraph, and (ii) the pounds of skim milk and butterfat assigned in the preceding month to Class II pursuant to § 947.45(a) (4) and the corresponding step of (b).

§ 947.71 Computation of the uniform price.

For each month, the market administrator shall compute the uniform price

per hundredweight of milk of 3.5 percent butterfat content, f.o.b. marketing area, received from producers as follows:

(a) Combine into one total the values computed pursuant to § 947.70 for all handlers who made the reports prescribed in § 947.30 and who are not in default of payments pursuant to § 947.84;

(b) For each of the months of April, May, June, and July subtract an amount equal to 10 cents per hundredweight on the total amount of producer milk included in these computations, which amount is to be retained in the producer settlement fund and disbursed according to the provisions of paragraph (c) of this section;

(c) For each of the months of October, November and December add one-third of the total amount subtracted pursuant to paragraph (b) of this section;

(d) Add an amount equivalent to the total deductions made pursuant to § 947.82 and add an amount computed by multiplying 5 cents by the hundredweight of producer milk received at plants located in the northern zone;

(e) Subtract if the weighted average butterfat content of milk received from producers is more than 3.5 percent, or add if such average butterfat content is less than 3.5 percent, an amount computed by multiplying the producer butterfat differential by the difference between 3.5 and the average butterfat content of producer milk, and multiplying the resulting figure by the total hundredweight of such milk;

(f) Add an amount equivalent to one-half of the unobligated balance in the producer-settlement fund;

(g) Divide the resulting amount by the total hundredweight of producer milk; and

(h) Subtract not less than 4 cents nor more than 5 cents from the amount computed pursuant to paragraph (e) of this section. The resulting figure shall be the uniform price per hundredweight of producer milk containing 3.5 percent butterfat delivered to plants located in the base zone.

§ 947.72 Notification of handlers.

On or before the 12th day after the end of each month, the market administrator shall mail to each handler, at his last known address, a statement showing:

(a) The amount and value of his producer milk in each class and the total thereof;

(b) The uniform price computed pursuant to § 947.71 and the producer of butterfat differential computed pursuant to § 947.81; and

(c) The amounts to be paid by such handler pursuant to §§ 947.84, 947.87 and 947.88, and the amount due such handler pursuant to § 947.85.

PAYMENTS

§ 947.80 Time and method of payment for producer milk.

(a) Except as provided in paragraph (b) and (c) of this section, each handler shall make payment to each producer for milk received during the month as follows:

(1) On or before the last day of each month to each such producer who did not discontinue shipping milk to such handler before the 25th day of the month an amount equal to not less than the Class II price for the preceding month multiplied by the hundredweight of milk received from such producer during the first 15 days of the month, less proper deductions authorized by such producer to be made from payments due pursuant to this subparagraph.

(2) On or before the 20th day of the following month, an amount equal to not less than the uniform price adjusted by the butterfat and location differentials to producers multiplied by the hundredweight of milk received from such producer during the month, subject to the following adjustments:

(i) Less payments made such producer pursuant to subparagraph (1) of this paragraph;

(ii) Less marketing service deductions made pursuant to § 947.88;

(iii) Plus or minus adjustments for errors made in previous payments made to such producer;

(iv) Less proper deductions authorized in writing by such producer; and

(v) Less 5 cents for each hundredweight of milk received from each producer at a plant located in the northern zone.

(b) In the case of a cooperative association which has so requested the handler in writing, such handler shall, on or before the second day prior to the date payments are due to individual producers pursuant to paragraph (a) of this section, pay the association for milk received during the month from the producer-members of such association an amount equal to not less than the total due such producer-members as determined pursuant to (a)(1) and (a)(2)(i), (ii), (iii), and (v) of this section less any deductions authorized in writing by such association: *Provided,* That the association has provided the handler with a written promise to reimburse the handler the amount of any actual loss incurred by such handler because of any improper claim on the part of the cooperative association.

(c) On or before the second day prior to the date payments are due individual producers, each handler shall pay a cooperative association for milk received by him from such association for which the association is the handler not less than the minimum prices for milk in each class, subject to the applicable location and butterfat differentials.

§ 947.81 Butterfat differential to producers.

In making payments for milk received from producers pursuant to § 947.80 the uniform price shall be adjusted by adding or subtracting, respectively, for each one-tenth of one percent by which the average butterfat content of such milk is more or less than 3.5 percent, respectively, an amount determined by multiplying the pounds of butterfat in producer milk allocated to each class by the appropriate butterfat differential for such class as determined by § 947.53, dividing by the total butterfat in producer milk, and rounding to the nearest tenth of a cent.

§ 947.82 Location differentials to producers.

In making payments for milk received from producers at a pool plant located 50 miles or more from the main U.S. post office in either Alma, Alton, Benton or Red Bud, Illinois, whichever is nearest, by the shortest hard-surfaced highway distance, as determined by the market administrator the applicable uniform price shall be reduced at the rates set forth on the following schedule:

Distance (miles):	*Rate per hundredweight (cents)*
50 but not more than 60	9
For each additional 10 miles or fraction thereof	1.5

§ 947.83 Producer-settlement fund.

The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund", into which he shall deposit all payments made by handlers pursuant to §§ 947.62, 947.84 and 947.86, and out of which he shall make payments due handlers pursuant to §§ 947.85 and 947.86.

§ 947.84 Payments to the producer-settlement fund.

On or before the 15th day after the end of each month, each handler shall pay to the market administrator the amount by which the value of his milk as computed pursuant to § 947.70 for such month is greater than the obligations of such handler for milk received from producers, pursuant to § 947.80.

§ 947.85 Payments out of the producer-settlement fund.

On or before the 17th day after the end of each month, the market administrator shall pay to each handler the amount by which the obligation of such handler for milk received from producers, pursuant to § 947.80, exceeds the value of milk for such handler calculated pursuant to § 947.70, less any unpaid balances due the market administrator from such handler pursuant to §§ 947.84, 947.86, 947.87, 947.88 or 947.89.

§ 947.86 Adjustment of accounts.

Whenever audit by the market administrator of any handler's reports, books, records, or accounts discloses errors resulting in monies due (a) the market administrator from such handler, (b) such handler from the market administrator, or (c) any producer or cooperative association from such handler, the market administrator shall promptly notify such handler of any amount so due and payment thereof shall be made on or before the next date for making payments as set forth in the provisions under which such error occurred.

§ 947.87 Expense of administration.

As his pro rata share of the expense of the administration of this part, each handler shall pay to the market administrator on or before the 20th day after

the end of each month 5 cents, or such lesser amount as the Secretary may prescribe, for each hundredweight of skim milk and butterfat contained in (a) producer milk, and (b) other source milk allocated to Class I milk pursuant to § 947.45(a)(3) and the corresponding step of § 947.45(b) excluding other source milk on which a corresponding assessment is payable under another Federal order. A handler operating a distributing plant which is a nonpool plant shall pay administrative assessments pursuant to § 947.62.

§ 947.88 Marketing services.

(a) *Deduction of marketing services.* Except as set forth in paragraph (b) of this section, each handler in making payments to producers, pursuant to § 947.80, shall deduct 6 cents per hundredweight, or such lesser amount as the Secretary may prescribe, with respect to all milk received by such handler from producers (excluding such handler's own production) during the month, and shall pay such deductions to the market administrator on or before the 20th day after the end of such month. Such monies shall be used by the market administrator to verify weights, samples, and tests of milk received from such producers and to provide them with market information. Such services shall be performed in whole or in part by the market administrator or by an agent engaged by and responsible to him.

(b) *Producers cooperative association.* In the case of producers for whom a cooperative association is actually performing, as determined by the Secretary, the services set forth in paragraph (a) of this section each handler, in lieu of the deduction specified in paragraph (a) of this section, shall make such marketing service deductions as are authorized by producer-members, and pay the money so deducted to the cooperative association on or before the 20th day after the end of the month.

§ 947.89 Adjustment of overdue accounts.

Any unpaid obligation of a handler or of the market administrator pursuant to §§ 947.84, 947.85, 947.87 or 947.88 shall be increased one-half of one percent for each month or portion thereof that such payment is overdue.

TERMINATION OF OBLIGATIONS

§ 947.90 Termination of obligations.

The provisions of this section shall apply to any obligation under this part for the payment of money:

(a) The obligation of any handler to pay money required to be paid under the terms of this part shall, except as provided in paragraphs (b) and (c) of this section, terminate two years after the last day of the month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such two-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain but need not be limited to, the following information:

(1) The amount of the obligation;

(2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and

(3) If the obligation is payable to one or more producers or to an association of producers, the name of such producer(s) or association of producers, or if the obligation is payable to the market administrator, the account for which it is to be paid.

(b) If a handler fails or refuses, with respect to any obligation under this part, to make available to the market administrator or his representatives all books and records required by this part to be made available, the market administrator may, within the two-year period provided for in paragraph (a) of this section, notify the handler in writing of such failure or refusal. If the market administrator so notifies a handler, the said two-year period with respect to such obligation shall not begin to run until the first day of the calendar month following the month during which all such books and records pertaining to such obligation are made available to the market administrator or his representatives;

(c) Notwithstanding the provisions of paragraphs (a) and (b) of this section, a handler's obligation under this order to pay money shall not be terminated with respect to any transaction involving fraud or willful concealment of a fact, material to the obligation, on the part of the handler against whom the obligation is sought to be imposed; and

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this part shall terminate two years after the end of the calendar month during which the milk involved in the claim was received if an underpayment is claimed, or two years after the end of the calendar month during which the payment (including deduction or setoff by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files, pursuant to section 8c(15)(a) of the Act, a petition claiming such money.

MISCELLANEOUS PROVISIONS

§ 947.100 Effective time.

The provisions of this part shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated pursuant to § 947.101.

§ 947.101 Suspension or termination.

The Secretary may suspend or terminate this part or any provision thereof whenever he finds that it obstructs or does not tend to effectuate the declared policy of the Act. This part shall, in any event, terminate whenever the provisions of the Act authorizing it cease to be in effect.

§ 947.102 Continuing obligations.

If, upon the suspension or termination of any or all provisions of this part, there are any obligations arising under this part the final accrual or ascertainment of which requires further acts by any person, such further acts shall be performed notwithstanding such suspension or termination.

§ 947.103 Liquidation.

Upon the suspension or termination of any or all provisions of this part the market administrator, or such person as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office and dispose of all funds and property then in his possession or under his control together with claims for any funds which are unpaid or owing at the time of such suspension or termination. Any funds collected pursuant to the provisions of this part, over and above the amounts necessary to meet outstanding obligations and the expenses necessarily incurred by the market administrator or such person in liquidating and distributing such funds, shall be distributed to the contributing handlers and producers in an equitable manner.

§ 947.104 Agents.

The Secretary may, by designation in writing, name any officer or employee of the United States to act as his agent or representative in connection with any of the provisions of this part.

§ 947.105 Separability of provisions.

If any provision of this part, or its application to any person or circumstances, is held invalid, the application of such provision, and of the remaining provisions of this part, to other persons or circumstances shall not be affected thereby.

Issued at Washington, D.C., this 31st day of March 1960.

F. R. BURKE,
Acting Deputy Administrator.

[F.R. Doc. 60-3084; Filed, Apr. 4, 1960; 8:49 a.m.]

[7 CFR Part 966]

[Docket No. AO-257-A5]

MILK IN NORTHERN LOUISIANA MARKETING AREA

Notice of Hearing on Proposed Amendments to Tentative Marketing Agreement and Order

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of a public hearing to be held at the Shreveporter Highway Motel, 3880 Greenwood Road, Shreveport, Louisiana, beginning at 10:00 a.m., c.s.t., on April 19, 1960, with respect to proposed amendments to the tentative marketing agreement and to the order, regulating the handling of milk in the Northern Louisiana marketing area.

The public hearing is for the purpose of receiving evidence with respect to the economic and marketing conditions

which relate to the proposed amendments, hereinafter set forth, and any appropriate modifications thereof, to the tentative marketing agreement and to the order.

The proposed amendments, set forth below, have not received the approval of the Secretary of Agriculture.

Proposed by The Northern Louisiana Pure Milk Producers Association, Inc., Shreveport, Louisiana:

Proposal No. 1. Amend § 966.8 to read:

§ 966.8 Supply plant.

"Supply plant" means any plant from which "Grade A" milk or skim milk is received during the month at a distributing plant in the amount of 100,000 pounds in any month of the year and allocated to Class I.

Proposal No. 2. Amend that portion of § 966.30 which precedes paragraph (a) to read as follows:

§ 966.30 Reports of receipts and utilization.

By mailing on or before the 5th day after the end of each month, or by delivery not later than the beginning of regular office hours the 7th day after the end of such month, each handler except a producer handler, shall report to the market administrator in detail and on forms prescribed by the market administrator for each of his fluid milk plants as follows:

Proposal No. 3. Amend § 966.51(a) to read:

(a) *Class I milk price.* The "Class I milk price" to all fluid milk plants located within 50-mile radius of the City Hall of the city of Shreveport shall be the basic formula price for the preceding month, plus $2.45 for all months of the year. The Class I price to all fluid milk plants located within the marketing area but more than 50 miles and less than 150 miles from the City Hall in the city of Shreveport shall be the basic formula price for the preceding month plus $2.65 for all months of the year.

Proposal No. 4. Delete § 966.82(b)(1) and substitute therefore:

(1) If a base is transferred to a producer already holding a base, a new base shall be computed for the transferee which shall not exceed the base that would have been computed if the total volume of milk delivered by both producers to handlers in the base-forming period had been delivered by the transferee producer.

Proposed by Foremost Dairies, Inc., Shreveport, Louisiana:

Proposal No. 5. Amend § 966.7 to provide that a distributing plant means any plant which disposes of any Class I milk in the marketing area during the month through routes or through plant stores to retail or wholesale outlets.

Proposal No. 6. Amend §§ 966.5, 966.10, 966.15, 966.42, and conforming, sections to provide that the cooperative association shall be the handler for its farm tank milk delivered to a distributing plant and to provide for a proper division of shrinkage between the parties.

Proposal No. 7. Amend § 966.41 to classify sour cream as Class II.

Proposal No. 8. Amend § 966.46 and all conforming sections to provide that other source milk and producer milk be allocated to Class I sales on a pro rata basis commensurate with the amount of each used in Class I.

Proposed by the Dairy Division, Agricultural Marketing Service:

Proposal No. 9. Make such changes as may be necessary to make the entire marketing agreement and the order conform with any amendments thereto that may result from this hearing.

Copies of this notice of hearing and the order may be procured from the Market Administrator, 3805 Youree Drive, P.O. Box 4066, Shreveport, Louisiana, or from the Hearing Clerk, Room 112, Administration Building, United States Department of Agriculture, Washington 25, D.C., or may be there inspected.

Issued at Washington, D.C., this 31st day of March 1960.

F. R. BURKE,
Acting Deputy Administrator.

[F.R. Doc. 60-3083; Filed, Apr. 4, 1960; 8:49 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[21 CFR Part 121]

FOOD ADDITIVES

Notice of Filing of Petition

In re: Notice of filing of petition for issuance of regulation to permit the use of resins composed of (1) homopolymers of ethylene and (2) copolymers of ethylene and other 1-olefins in packaging, processing, packing, transporting or holding foods.

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act(sec. 409(b)(5), 72 Stat. 1786; 21 U.S.C. 348(b)(5)), the following notice is issued:

A petition has been filed by Phillips Petroleum Company, Bartlesville, Oklahoma, proposing the issuance of a regulation to permit the use of resins composed of (1) homopolymers of ethylene and (2) copolymers of ethylene and other 1-olefins in packaging, processing, packing, transporting or holding foods.

Dated: March 30, 1960.

[SEAL] J. K. KIRK,
Assistant to the Commissioner of Food and Drugs.

[F.R. Doc. 60-3066; Filed, Apr. 4, 1960; 8:47 a.m.]

[21 CFR Part 121]

FOOD ADDITIVES

Notice of Filing of Petition

In re: Notice of filing of petition for issuance of regulation establishing tolerance for quinine sulfate in carbonated beverages.

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(b)(5), 72 Stat. 1786; 21 U.S.C. 348(b)(5)), the following notice is issued:

A petition has been filed by Canada Dry Corporation, 100 Park Avenue, New York 17, New York, proposing the issuance of a regulation to establish a tolerance of 100 parts per million (0.01 percent) of quinine sulfate as a flavoring agent in carbonated beverages.

Dated: March 30, 1960.

[SEAL] J. K. KIRK,
Assistant to the Commissioner of Food and Drugs.

[F.R. Doc. 60-3067; Filed, Apr. 4, 1960; 8:47 a.m.]

SMALL BUSINESS ADMINISTRATION

[13 CFR Part 107]

INVESTMENT COMPANIES

Notice of Period in Which to Submit Comments or Suggestions

On February 20, 1960, notice of proposed rule making regarding amendment of §§ 107.302-1, 107.302-2, 107.303-3, 107.308-7, and 107.308-9 of Part 107 of Subchapter B, Chapter I of Title 13 of the Code of Federal Regulations was published in the FEDERAL REGISTER (25 F.R. 1528). Such notice provided that prior to final adoption of such amendment of Regulations, consideration would be given to any comments or suggestions pertaining thereto submitted within a period of 30 days from the date of such publication in the FEDERAL REGISTER.

Notice is hereby given that prior to the final adoption of such amendments of regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in triplicate, to the Investment Division, Small Business Administration, Washington 25, D.C., within a period of 30 days from the date of publication of this notice in the FEDERAL REGISTER.

Dated: March 25, 1960.

PHILIP MCCALLUM,
Administrator.

[F.R. Doc. 60-3063; Filed, Apr. 4, 1960; 8:47 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Part 507]

[Reg. Docket No. 330]

AIRWORTHINESS DIRECTIVES

Notice of Proposed Rule Making

Pursuant to the authority delegated to me by the Administrator, (§ 405.27, 24 F.R. 2196), notice is hereby given that the Federal Aviation Agency has under consideration a proposal to amend Part 507 of the regulations of the Adminis-

trator to include an airworthiness directive requiring inspection for cracks in the wing root joint fitting of De Havilland Dove Model 104 aircraft, and replacement of defective parts to preclude occurrence of an unsafe condition in service.

Interested persons may participate in the making of the proposed rule by submitting such written data, views or arguments as they may desire. Communications should be submitted in duplicate to the Docket Section, of the Federal Aviation Agency, Room B-316, 1711 New York Avenue NW., Washington 25, D.C. All communications received on or before May 6, 1960, will be considered by the Administrator before taking action on the proposed rule. The proposals contained in this notice may be changed in light of comments received. All comments submitted will be available, in the Docket Section, for examination by interested persons when the prescribed date for return of comments has expired. This proposal will not be given further distribution as a draft release.

This amendment is proposed under the authority of Sections 313(a), 601 and 603 of the Federal Aviation Act of 1958 (72 Stat. 752, 775, 776; 49 U.S.C. 1354(a), 1421, 1423).

In consideration of the foregoing, it is proposed to amend § 507.10(a), (14 CFR Part 507), by adding the following airworthiness directive:

DEHAVILLAND. Applies to de Havilland Dove Model 104, Serial Numbers 04001 through 04507.

Compliance required as indicated.

During fatigue tests cracks caused by corrosion and fretting occurred in the wing main lower root joint fitting at an equivalent time in service of 13,000 hours. To preclude the failure of this fitting in service, compliance with deHavilland Technical News Sheet CT(104) No. 168 Issue No. 2, is required by July 15, 1960, for aircraft which have exceeded 12,000 hours time in service. For all other aircraft compliance required before the aircraft exceeds 12,000 hours time in service but not later than: December 31, 1960, for Serial Numbers 04001 through 04463; December 31, 1961, for Serial Numbers 04464 through 04507.

Magnetic particle and dye penetrant methods of inspection may be used in lieu of the crack testing methods called for in De Havilland Technical News Sheet CT(104) No. 168 Issue No. 2. Other jointing, antifretting and anticorrosive, and sealing compounds, if shown to be equivalent to the commercially designated compounds in De Havilland Technical News Sheet CT(104) No. 168 Issue No. 2, may be used.

Issued in Washington, D.C., on March 29, 1960.

B. PUTNAM,
Acting Director,
Bureau of Flight Standards.

[F.R. Doc. 60-3038; Filed, Apr. 4, 1960; 8:45 a.m.]

Notices

FEDERAL POWER COMMISSION

[Project Nos. 2248, 2272]

ARIZONA POWER AUTHORITY ET AL.

Order Consolidating Proceedings, Fixing Hearing, and Prescribing Procedure

MARCH 29, 1960.

Arizona Power Authority, Project No. 2248; and City of Los Angeles, California, and its Department of Water and Power, Project No. 2272.

The Arizona Power Authority, Phoenix, Arizona (the Authority), has filed application under section 4(e) of the Federal Power Act (16 U.S.C. 797) for a license for proposed hydroelectric project works, including appurtenant facilities, designated the Colorado River Project No. 2248, on Colorado River, the Little Colorado River, and on a tributary of the Little Colorado known as Molukopi Wash, in Coconino and Mohave Counties, Arizona.

The City of Los Angeles, California, and its Department of Water and Power (the City), has filed application under section 4(e) of the Federal Power Act for a license for proposed hydroelectric project works, including appurtenant facilities, designated the Bridge Canyon development, Project No. 2272, on Colorado and Little Colorado Rivers in Coconino and Mohave Counties, Arizona, with a switchyard and section of transmission lines in Clark County, Nevada.

Notices of the applications for license for Projects Nos. 2248 and 2272 have been duly given and numerous interested parties have requested and have been granted permission to participate in the proceedings on these applications for license.

It is appropriate in carrying out the provisions of the Federal Power Act that the proceedings on these conflicting applications for license be consolidated for the purpose of hearing. It is also appropriate and in the public interest that certain procedures be prescribed in advance of the hearing in these consolidated proceedings.

The procedures hereinafter prescribed are intended to eliminate any cause which might otherwise exist for a protracted hearing by requiring that the respective parties be prepared in advance of the hearing for the presentation of their direct case. This should result in serving the interests of those parties concerned with obtaining an orderly record, the saving of hearing time, and the associated costs and conveniences involved.

A major problem is one of meeting the convenience of witnesses who travel long distances, and of allowing adequate time to prepare for cross-examination of technical testimony presented by them; and consequently, a witness will not be required to attend the hearing prior to his appearance for cross-examination. Another, by way of illustration, is the time-consuming problem caused by questions calling for conclusions and opinions without having laid a proper foundation therefor, and any such questions and answers in prepared testimony, filed as hereinafter provided, will be subject to motion to strike from the prepared testimony as hereinafter provided.

Copies of the daily transcript may be obtained by the parties by making advance arrangements therefor with the official reporter.

The Commission orders:

(A) The proceedings on the applications for license for Projects Nos. 2248 and 2272 are consolidated for the purpose of a hearing.

(B) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Federal Power Act, particularly sections 4(e), 10(a), and 308 thereof, and the Commission's rules of practice and procedure, a public hearing shall be held on September 12, 1960 at 10:00 a.m., e.d.s.t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D.C., respecting the matters involved and issues presented by the aforesaid applications for license for Projects Nos. 2248 and 2272.

(C) The following procedure is prescribed for the consolidated proceedings in Projects Nos. 2248 and 2272:

(1) The Applicants for Projects Nos. 2248 and 2272 (Applicants) shall file by July 5, 1960 with the Secretary of the Commission an original and ten copies of all of their testimony including qualifications of witnesses, and exhibits to be presented in their respective direct cases;

(2) All other parties, including the Commission's staff (other Parties) shall file by August 8, 1960 with the Secretary, an original and ten copies of all of their respective direct testimony including qualifications of witnesses, and exhibits;

(3) All of the testimony, except exhibits, shall be in question and answer form;

(4) No exhibits, except those of which official notice may properly be taken, shall contain narrative material other than brief explanatory notes;

(5) All exhibits, except those of which official notice may properly be taken, shall contain brief and appropriate titles, and the exhibits shall be fully explained in the prepared direct testimony by the witness or witnesses sponsoring them;

(6) Each witness shall execute an affidavit adopting the testimony for which he assumes responsibility and an original and ten conformed copies of such affidavit shall be filed with his prepared testimony;

(7) Any party submitting more than one exhibit shall enclose a cover sheet listing the title of each exhibit in the sequence they are to be marked for identification;

(8) Two copies of all testimony including qualifications of witnesses and exhibits, shall be served on each party to this consolidated proceeding and a certificate of service thereof shall be attached to the original copy filed with the Secretary;

(9) Any motions to strike any part of the prepared testimony (prior to cross-examination), shall be filed by August 22, 1960, answers thereto shall be filed by August 29, 1960 and rulings on such motions will be made by the Examiner at the commencement of the hearing or prior thereto;

(10) Counsel for any party desiring to make an opening statement, but finds it inconvenient to attend the opening session, may mail a copy of his opening statement to the Examiner, and a list of counsel for the Party, for incorporation in the record as though read;

(11) Upon the commencement of the hearing and after appearances, opening statements, and other preliminary matters, the exhibits previously filed with the Secretary, as provided above, will be marked for identification in the sequence directed by the Examiner, and thereafter the Examiner will require that the affidavits of the respective witnesses and their prepared direct testimony (together with the qualifications of the respective witnesses), previously filed with the Secretary as provided above, be copied into the record as though read, excepting any part or parts of the prepared testimony with respect to which he may have granted motion to strike; and

(12) The Examiner will specify the order of cross-examination for the information of the parties in making their respective witnesses available for cross-examination.

(D) Requests for extensions of time concerning the time for any filings specified herein shall be made in writing, served on all parties and filed with the Examiner (together with a certificate of service) at least 15 days in advance of the dates specified herein (or as may have been extended), and any answers thereto shall be filed with the Examiner within five days after the request for extension.

(E) The Commission's rules of practice and procedure shall apply in this consolidated proceeding except to the extent that they are modified or supplemented herein or to the extent that they are further modified or supplemented by the Examiner with the consent of the parties.

(F) Motion filed March 17, 1960, by the Colorado River Board of California and the request filed March 16, 1960, by The City of Los Angeles, for delay in commencement of the hearing beyond September 12, 1960, are denied.

By the Commission.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60-3039; Filed, Apr. 4, 1960 8:45 a.m.]

[Docket Nos. RI60-218—RI60-232]

ATLANTIC REFINING CO. ET AL.

Order Providing for Hearings on and Suspension of Proposed Changes in Rates [1]

MARCH 29, 1960.

The Atlantic Refining Co. (Operator), et al., Docket No. RI60-218; Signal Oil & Gas Co. (Operator), et al., Docket No. RI60-219; Humble Oil & Refining Co., Docket No. RI60-220; E. B. McMurtry, Docket No. RI60-221; Jack Markham, et al., Docket No. RI60-222; Continental Oil Co., Docket No. RI60-223; The TXL Oil Corporation, Docket No. RI60-224; Pan American Petroleum Corporation (Operator), et al., Docket No. RI60-225; Phillips Petroleum Company (Operator), Docket No. RI60-226; The Ohio Oil Company, Docket No. RI60-227; Elliott, Inc., Docket No. RI60-228; United Producing Co., Inc., Docket No. RI60-229; United Carbon Co., Inc. (Maryland), Docket No. RI60-230; Sinclair Oil & Gas Company, et al., Docket No. RI60-231; James M. Cunningham (Operator), et al., Docket No. RI60-232.

The above-named respondents have tendered for filing proposed changes in presently effective rate schedules for sale of natural gas subject to the jurisdiction of the Commission. The proposed changes are designated as follows:

* * * * *

Docket No.	Respondent	Rate schedule No.	Supplement No.	Purchaser and producing area	Notice of change dated—	Date tendered	Effective date unless suspended [1]	Date suspended until—	Cents per Mcf		Rate in effect subject to refund in docket Nos.
									Rate in effect	Proposed increased rate	
RI60-218	The Atlantic Refining Co. (Operator), et al.	133	13	Natural Gas Pipe Line Co. of America (Camrick Southeast Field, Texas and Beaver Counties, Okla.)	2-19-60	3-4-60	5-10-60	10-10-60	16.6	16.8	G-18208
RI60-219	Signal Oil & Gas Co. (Operator), et al.	4	2	El Paso Natural Gas Co. (South Andrews Field, Andrews County, Tex.).	3-1-60	3-4-60	4-4-60	9-4-60	8.0	13.5	----------
RI60-220	Humble Oil & Refining Co.	19	16	Texas Eastern Transmission Corp. (Carthage Field, Panola County, Tex.).	2-24-60	3-2-60	4-2-60	9-2-60	14.6	14.8	----------
RI60-221	E. B. McMurtry	1	1	Colorado Interstate Co. (Greenwood Field, Morton County, Kans.).	Not dated	3-2-60	4-2-60	9-2-60	12.0	16.0	----------
RI60-222	Jack Markham, et al	1	2	El Paso Natural Gas Co. (Lea County, N. Mex.).	2-25-60	3-7-60	4-7-60	9-7-60	10.5	15.5	----------
RI60-223	Continental Oil Co	107	11	Mississippi River Fuel Corp. (Woodlawn Field, Harrison County, Tex.).	3-3-60	3-7-60	4-7-60	9-7-60	14.1344	14.6392	G-13008
RI60-224	The TXL Oil Corporation.	2	2	El Paso Natural Gas Co. (Sweetie Peck Field, Midland County, Tex.).	2-26-60	2-29-60	3-31-60	8-31-60	11.0	17.0	----------
RI60-224	do	1	12	El Paso Natural Gas Co. (Spraberry Field, Reagan, Glasscock, Midland, and Upton Counties, Tex.).	2-25-60	2-29-60	3-31-60	8-31-60	11.0	17.0	----------
RI60-224	do	3	2	El Paso Natural Gas Co. (Pegasus Gas Plant, Midland County, Tex.).	2-27-60	2-29-60	3-31-60	8-31-60	10.0	17.0	----------
RI60-225	Pan American Petroleum Corp. (Operator), et al.	31	18	Mississippi River Fuel Corp. (Woodlawn Field, Harrison County, Tex.).	2-25-60	2-29-60	4-3-60	9-3-60	14.1344	14.6392	G-12284
RI60-226	Phillips Petroleum Co. (Operator).	262	6	Northern Natural Gas Co. (Panhandle Field, Gray County, Tex.).	2-26-60	2-29-60	4-1-60	9-1-60	14.1344	18.93	G-19473
RI60-227	The Ohio Oil Co	35	2	Natural Gas Pipeline Co. of America (Camrick Southeast Field, Beaver County, Okla.).	Not dated	2-29-60	3-31-60	8-31-60	16.6	16.8	G-17986
RI60-228	Elliott, Inc	2	4	El Paso Natural Gas Co. (Eumont Field, Lea County, N. Mex.).	do	2-29-60	3-31-60	8-31-60	10.5	15.5	----------
RI60-229	United Producing Co., Inc.	16	5	Panhandle Eastern Pipeline Co. (Keyes Field, Cimarron and Beaver Counties, Okla.).	2-22-60	2-29-60	4-1-60	9-1-60	15.0	16.0	----------
RI60-229	do	17	6	Panhandle Eastern Pipeline Co. (Meade, Morton, and Seward Counties, Kans.).	2-22-60	2-29-60	4-1-60	9-1-60	15.0	16.0	----------
RI60-230	United Carbon Co., Inc. (Maryland).	4	3	Panhandle Eastern Pipeline Co. (Keyes Field, Cimarron and Beaver Counties, Okla.).	2-22-60	2-29-60	4-1-60	9-1-60	15.0	16.0	----------
RI60-230	do	5	7	Panhandle Eastern Pipeline Co. (Meade, Morton, and Seward Counties, Kans.).	2-22-60	2-29-60	4-1-60	9-1-60	15.0	16.0	----------
RI60-231	Sinclair Oil & Gas Co., et al.	[3] 192	1	H. L. Hunt, et al. (North Lansing Field, Harrison County, Tex.).	2-22-60	3-1-60	4-1-60	9-1-60	12.8268	14.3	----------
RI60-231	do	[3] 192		do	[4] 10-5-59	3-1-60	4-1-60	9-1-60	12.8265	----------	14.65
RI60-232	James M. Cunningham (Operator), et al.	2	1	Trunkline Gas Company (Oretta Field, Beauregard Parish, La.).	2-23-60	2-29-60	4-1-60	9-1-60	18.1	18.3	15.025

[1] The stated effective dates are those requested by respondents, or the first day after expiration or the required statutory notice, whichever is later.
[2] The pressure base is 14.65 psia.
[3] Supersedes Sinclair Oil & Gas Co., et al's. FPC Gas Rate Schedule No. 191, a amended.
[4] Contract.

In support Atlantic cites the contract provisions and states that the increase will not result in an excessive rate of return, but will assist in obtaining a just and reasonable rate of return commensurate with the risks inherent in the exploration and development, production and gathering of natural gas.

In support Signal Oil and Markham cite the amendatory agreements providing the increased rates and state that such agreements were negotiated at arm's-length and that without the increased prices they would not have agreed to deleting the favored-nation clauses. Signal Oil also states that the increased rate will not result in an excessive rate of return, but will assist in obtaining a just and reasonable rate of return commensurate with risks involved. Markham states that in view of rising costs and declining production, the renegotiated pricing provisions are just and reasonable.

In support Humble cites the contract provisions and states that the contract and amendments thereto were negotiated at arm's-length, the increased price is reasonable and in line with going contract prices in the area and denial thereof would abrogate the contract and unjustly enrich Texas Eastern at Humble's expense.

In support McMurtry cites the amended contract provisions and states that both parties willingly agreed to the increased price which is just and reasonable as consideration for modification of the contract terms as to minimum quantities more favorable to purchaser. Copies of the renegotiated agreement were submitted.

In support of the increase, Continental merely cites the contract provisions and higher or equal base rates for initial services in the area, and states that it is entitled to the same rate paid other producers in the area and denial of its increased rate would be discriminatory.

In support of the increases, TXL and Elliot cite arm's-length bargaining and state that the increased prices are consideration to sellers for the deletion of the contract favored-nation clauses and are necessary to offset increasing costs of operation. TXL states additionally that the increased rates are just and reasonable, are in line with initial prices re-

[1] This order does not provide for the consolidation for hearing or disposition of the separately docketed matters covered herein, nor should it be so construed.

cently certificated in the area, and are below rates which might be justified on a cost basis.

In support of the increase, Pan American cites contract provisions, states that such provisions resulted from bona fide arm's-length negotiation in a competitive market and that it would be inequitable, unfair and confiscatory to disallow the increased price which is fair, just and reasonable. Pan American cites other increased 14.6-cent rates in the area which the Commission has accepted for filing. Such increased rates resulted from contract renegotiation whereby indefinite pricing clauses were eliminated from the contracts. Finally, Pan American cites inflation and the increasing costs of exploration and production.

In support Cunningham states that the increased price is just and reasonable and is in accordance with provisions of the contract negotiated at arm's-length. Cunningham states further that the increased price is in line with other prices to Trunkline in the area and is justified in view of increasing costs of operation, labor and materials. Applicant also states that the contract pricing provisions are beneficial to both parties and the contract would not have been executed without such provisions.

In support Phillips cites the contract provisions and states that such provisions were negotiated at arm's-length and the increased price is comparable to rates recently certificated in the area and is just and reasonable and fully supported. Phillips cites the provision in the contract making its own needs of gas subservient to Northern's in the winter months. Phillips requests a one-day suspension should the Commission suspend the increased rate.

In support Ohio Oil states that the contract was entered into in good faith after arm's-length negotiations, and that the increased price which results from a fixed periodic escalation is below the level prevailing in new contracts for gas sales in the area and is necessary to encourage exploration and development.

In support of the increases United Producing Co., Inc., and United Carbon Co., Inc. (Maryland), cite the contract provisions and state that the contracts were made at arm's-length after protracted negotiations and since the increased price is the minimum provided in the contract the increases are of the periodic type. Applicants state additionally that such pricing provisions are common in long-term contracts and are beneficial to both buyer and seller in permitting initial deliveries at a low price during the time buyer's unamortized capital investment is high and providing seller progressively higher returns contemporaneously with the inevitable increase in production, operating and development costs. Applicants also cite higher rates in the area (subject to refund) and state the increases will not put their rates out of line with others in the area.

In support Sinclair states that the superseding contract was negotiated at arm's length and the increased price is not out of line with other recently negotiated contract prices in the area. Sinclair cites the Commission's Opinion No. 330 wherein initial rates of 15.0 cents in adjoining Rusk County were certificated, and in view of the Opinion, asks that its increased rate be permitted to become effective without suspension.

The proposed changes may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon hearings concerning the lawfulness of the several proposed changes and that the above-designated supplements be suspended and the use thereof deferred as hereinafter ordered.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), public hearings shall be held upon dates to be fixed by notices from the Secretary concerning the lawfulness of the several proposed increased rates and charges contained in the above-designated supplements.

(B) Pending hearings and decisions thereon, each of the above-designated supplements is hereby suspended and the use thereof deferred until the date indicated in the above "Rate Suspended Until" column, and thereafter until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(C) Neither the supplements hereby suspended, nor the rate schedules sought to be altered thereby, shall be changed until these proceedings have been disposed of or until the periods of suspension have expired, unless otherwise ordered by the Commission.

(D) Notices of intervention or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.37(f)) on or before May 12, 1960.

By the Commission (Commissioner Kline dissenting).

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60-3040; Filed, Apr. 4, 1960; 8:45 a.m.]

[Project No. 2082]

CALIFORNIA OREGON POWER CO.

Application for Amendment of License

MARCH 28, 1960.

Public notice is hereby given that application has been filed under the Federal Power Act (16 U.S.C. 791a-825r) by The California Oregon Power Company, licensee for Project No. 2082 for amendment of the license to construct the Iron Gate Development in one stage on the Klamath River in Siskiyou County, California, and including an earthfill dam in lieu of a concrete arch dam. Article 28 of the license for Project No. 2082 provides that the Licensee shall commence construction of the initial stage of the Iron Gate Development within six months from January 13, 1960, shall complete such construction within one year thereafter, and at such time as the Commission may direct, after notice and opportunity for hearing, the Licensee shall complete the construction of the Iron Gate Development to its ultimate stage with normal water surface of the reservoir at elevation 2,328 feet.

The ultimate Iron Gate Development, proposed to be constructed in one stage, would consist of: an earthfill dam about 173 feet high with crest elevation of 2,338 feet; a concrete gated spillway section in the right abutment; a reservoir with normal water surface at elevation 2,328 and a capacity of about 58,000 acre-feet; a tunnel through the right abutment which will serve as a sluice and diversion during construction; an intake structure; a power conduit through the left abutment; a penstock; a powerhouse with one 25,000-horsepower turbine connected to an 18,000-kilowatt generator installed therein; a substation adjacent to the powerhouse; a 66 kw transmission line extending to COPCO's No. 2 switchyard; a fish ladder and fish trapping facilities complete with appurtenant facilities; and other appurtenant electrical and mechanical facilities. The energy generated will be distributed and sold by the Licensee for public utility purposes.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure of the Commission (18 CFR 1.8 or 1.10). The last day upon which protests or petitions may be filed is May 9, 1960. The application is on file with the Commission for public inspection.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60-3041; Filed, Apr. 4, 1960; 8:45 a.m.]

[Project No. 1971]

IDAHO POWER CO.

Withdrawal of Lands; Correction

MARCH 30, 1960.

The notice of withdrawal of lands, given pursuant to the filing of application for Power Project No. 1971 by the Idaho Power Company, Brownlee H. E. Development, published in the FEDERAL REGISTER, Thursday, February 4, 1960, page 994 (F.R. Doc. 60-1100) is amended to include:

BOISE MERIDIAN, IDAHO

T. 14 N., R. 7 W.,
Sec. 24, SW¼NW¼NW¼NW¼, 2.50 acres.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60-3042; Filed, Apr. 4, 1960; 8:45 a.m.]

[Project No. 2114]

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASH.

Application for Amendment of License

MARCH 28, 1960.

Public notice is hereby given that Public Utility District No. 2 of Grant County, Washington, of Ephrata, Washington, has filed application under the Federal Power Act (16 U.S.C. 791a–825r) for amendment of the license for waterpower Project No. 2114, located on the Columbia River in Chelan, Douglas, Kittitas, Grant, Yakima, and Benton Counties, Washington, to include therein a third 230-kilovolt, three-phase, single-circuit, steel-tower transmission line, designated as Priest Rapids-Midway 230-kv Line No. 3, and extending from Priest Rapids Powerhouse of Project No. 2114 in an easterly direction and closely parallel to constructed Priest Rapids-Midway 230-kv Lines Nos. 1 and 2 of Project No. 2114 to a point about one mile north of the existing Midway Substation of Bonneville Power Administration, thence closely parallel to No. 1 line across the Columbia River to Midway Substation. The length of Line No. 3 is approximately 7.2 miles and it is to be located in Grant and Benton Counties, Washington.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D.C., in accordance with the rules of practice and procedure of the Commission (18 CFR 1.8 or 1.10). The last date upon which protests or petitions may be filed is May 5, 1960. The application is on file with the Commission for inspection

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60–3043; Filed, Apr. 4, 1960; 8:45 a.m.]

[Docket RP60–6]

TRUNKLINE GAS CO.

Order Providing for Hearing and Suspending Proposed Revised Tariff Sheets

MARCH 29, 1960.

On March 2, 1960, Trunkline Gas Company (Trunkline) tendered for filing First Revised Sheets Nos. 9–D, 9–F, 9–G; Second Revised Sheets Nos. 6–A, 6–B, 6–D; Third Revised Sheets Nos. 4 and 7; and Fourth Revised Sheets Nos. 5 and 9 to FPC Gas Tariff, Original Volume No. 1. In the above-designated tender, Trunkline proposes an annual increase in jurisdictional revenue of $5,365,000, or 8.4 percent over the presently effective rates.[1]

The proposed increased rates are based primarily on (a) prices for new gas supply authorized in Docket No. G–15394, (b) change in gas purchase pattern, (c) favored-nation and periodic escalation increases in cost of old supply and (d) various claimed increases in cost of service to be investigated in Docket No. G–19479.

The changes in rates and charges proposed by Trunkline in the above revised sheets have not been shown to be justified and may be unjust, unreasonable, unduly discriminatory, or preferential, or otherwise unlawful.

The Commission finds: It is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a public hearing concerning the lawfulness of the rates, charges, classifications and services contained in Trunkline's FPC Gas Tariff, Original Volume No. 1, as proposed to be amended by First Revised Sheets Nos. 9–D, 9–F, 9–G; Second Revised Sheets Nos. 6–A, 6–B, 6–D; Third Revised Sheets Nos. 4 and 7; and Fourth Revised Sheets Nos. 5 and 9, and that said proposed revised tariff sheets and the rates contained therein be suspended and the use thereof deferred as hereinafter provided.

The Commission orders:

(A) Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure, and the regulations under the Natural Gas Act (18 CFR Ch. I), a public hearing be held on a date to be fixed by notice from the Secretary concerning the lawfulness of the rates, charges, classifications and services contained in Trunkline's FPC Gas Tariff, Original Volume No. 1 as proposed to be amended by First Revised Sheets Nos. 9–D, 9–F, 9–G; Second Revised Sheets Nos. 6–A, 6–B, 6–D; Third Revised Sheets Nos. 4 and 7; and Fourth Revised Sheets Nos. 5 and 9.

(B) Pending such hearing and decision thereon First Revised Sheets Nos. 9–D, 9–F, 9–G; Second Revised Sheets Nos. 6–A, 6–B, 6–D; Third Revised Sheets Nos. 4 and 7; and Fourth Revised Sheets Nos. 5 and 9 to Trunkline's FPC Gas Tariff, Original Volume No. 1 are suspended and the use thereof deferred until July 1, 1960, and until such further time as they are made effective in the manner prescribed by the Natural Gas Act.

(C) Interested State commissions may participate as provided by Sections 1.8 and 1.37(f) of the Commission's rules of practice and procedure (18 CFR 1.8 and 1.37(f)).

By the Commission.

JOSEPH H. GUTRIDE,
Secretary.

[F.R. Doc. 60–3044; Filed, Apr. 4, 1960; 8:45 a.m.]

[1] Trunkline has filed a motion to make its Zone 1 rates effective March 1, 1960, subject to refund in Docket No. G–19479. Initial Zone 2 rates, prescribed by Opinion No. 321, became effective January 28, 1960.

DEPARTMENT OF THE TREASURY

Bureau of Customs

[643.3]

PIG IRON FROM THE NETHERLANDS

Purchase Price; Foreign Market Value

MARCH 31, 1960.

Pursuant to section 201(b) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(b)), notice is hereby given that there is reason to believe or suspect, from information presented to me, that the purchase price of pig iron imported from the Netherlands is less, or likely to be less, than the foreign market value, as defined by sections 203 and 205, respectively, of the Antidumping Act, 1921, as amended (19 U.S.C. 162 and 164).

Customs officers are being authorized to withhold appraisement of entries of pig iron from the Netherlands pursuant to § 14.9 of the Customs Regulations (19 CFR 14.9).

[SEAL] RALPH KELLY,
Commissioner of Customs.

[F.R. Doc. 60–3073; Filed, Apr. 4, 1960; 8:48 a.m.]

[643.3]

PIG IRON FROM GERMANY

Purchase Price; Foreign Market Value

MARCH 31, 1960.

Pursuant to section 201(b) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(b)), notice is hereby given that there is reason to believe or suspect, from information presented to me, that the purchase price of pig iron imported from Germany is less, or likely to be less, than the foreign market value, as defined by sections 203 and 205, respectively, of the Antidumping Act, 1921, as amended (19 U.S.C. 162 and 164).

Customs officers are being authorized to withhold appraisement of entries of pig iron from Germany pursuant to section 14.9 of the Customs Regulations (19 CFR 14.9).

[SEAL] RALPH KELLY,
Commissioner of Customs.

[F.R. Doc. 60–3074; Filed, Apr. 4, 1960; 8:48 a.m.]

GENERAL SERVICES ADMINISTRATION

[Delegation of Authority No. 378]

THE SECRETARY OF DEFENSE

Delegation of Authority to Represent Interests of Federal Government Regarding General Increases in Gas Rates

1. Pursuant to the provisions of sections 201(a)(4) and 205 (d) and (e) of the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended, authority to represent the interest of the executive agencies of the Federal Government in the matters of Southern Counties Gas Company of California, Application No. 41859, Southern California Gas Company, Application No. 41860, and Pacific Lighting Gas Supply Company, Application No. 41277, for general increase in gas rates, before the California Public Utilities Commission, is hereby delegated to the Secretary of Defense.

2. The Secretary of Defense is hereby authorized to redelegate any of the au-

thority contained herein to any officer, official or employee of the Department of Defense.

3. The authority conferred herein shall be exercised in accordance with the policies, procedures and controls prescribed by the General Services Administration, and shall further be exercised in cooperation with the responsible officers, officials and employees of General Services Administration.

4. This delegation of authority shall be effective March 10, 1960.

Dated: March 28, 1960.

FRANKLIN FLOETE,
Administrator.

[F.R. Doc. 60-3049; Filed, Apr. 4, 1960; 8:45 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 1-895]

CLUETT, PEABODY & CO., INC.

Notice of Application To Strike From Listing and Registration and of Opportunity for Hearing

MARCH 30, 1960.

In the matter of Cluett, Peabody & Co., Inc., 4% Cumulative Second Preferred Stock, File No. 1-895.

The New York Stock Exchange has filed an application with the Securities and Exchange Commission pursuant to section 12(d) of the Securities Exchange Act of 1934 and Rule 12d2-1(b) promulgated thereunder, to strike the specified security from listing and registration thereon.

The reasons alleged in the application for striking this security from listing and registration include the following: Less than 5,000 shares are outstanding. Stockholders number around 200.

Upon receipt of a request, on or before April 15, 1960, from any interested person for a hearing in regard to terms to be imposed upon the delisting of this security, the Commission will determine whether to set the matter down for hearing. Such request should state briefly the nature of the interest of the person requesting the hearing and the position he proposes to take at the hearing with respect to imposition of terms. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington 25, D.C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application and other information contained in the official files of the Commission pertaining to the matter.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 60-3059; Filed, Apr. 4, 1960; 8:46 a.m.]

[File No. 1-757]

GOLD & STOCK TELEGRAPH CO.

Notice of Application To Strike From Listing and Registration and of Opportunity for Hearing

MARCH 30, 1960.

In the matter of The Gold & Stock Telegraph Company, Capital Stock, File No. 1-757.

The New York Stock Exchange has filed an application with the Securities and Exchange Commission pursuant to Section 12(d) of the Securities Exchange Act of 1934 and Rule 12d2-1(b) promulgated thereunder, to strike the specified security from listing and registration thereon.

The reasons alleged in the application for striking this security from listing and registration include the following: All but 7,378 of the 50,000 shares are owned by Western Union Telegraph Company and public holders number about 223.

Upon receipt of a request, on or before April 15, 1960, from any interested person for a hearing in regard to terms to be imposed upon the delisting of this security, the Commission will determine whether to set the matter down for hearing. Such request should state briefly the nature of the interest of the person requesting the hearing and the position he proposes to take at the hearing with respect to imposition of terms. In addition, any interested person may submit his views or any additional facts bearing on this application by means of a letter addressed to the Secretary of the Securities and Exchange Commission, Washington 25, D.C. If no one requests a hearing on this matter, this application will be determined by order of the Commission on the basis of the facts stated in the application and other information contained in the official files of the Commission pertaining to the matter.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F.R. Doc. 60-3060; Filed, Apr. 4, 1960; 8:46 a.m.]

[File No. 812-1291]

GRAHAM-PAIGE CORP. AND MADISON SQUARE GARDEN CORP.

Notice of Filing of Application for Order Exempting Certain Transactions Between Affiliates Incident to a Merger

MARCH 29 1960.

Notice is hereby given that Graham-Paige Corporation ("Graham"), a closed-end, non-diversified management investment company has filed an application pursuant to section 17(b) of the Act for an order of the Commission exempting from the prohibitions of section 17(a) of the Act certain transactions incident to a merger of Madison Square Garden Corporation ("Garden") with and into Graham as hereinafter set forth.

Garden is a New York corporation owning and operating Madison Square Garden arena located in New York City and certain buildings and properties contiguous to the arena. In addition to its arena operations and real estate holdings, Garden owns the New York Rangers, a professional hockey team and the New York Knickerbockers, a professional basketball team.

Graham, a Michigan Corporation, has 7,990,000 shares of authorized common stock $1 par value ("common stock") of which 6,058,169 are presently outstanding and 350,000 shares of 6 percent cumulative preferred stock ("preferred stock") all of which are outstanding. The preferred stock is convertible into three shares of common stock if converted prior to April 30, 1962; 2.6087 shares of common stock if converted at any time after April 30, 1962 and on or prior to April 30, 1965; and 2.3077 shares of common stock if converted after April 30, 1965 and on or prior to April 30, 1969. After April 30, 1969, the preferred stock will no longer be convertible. Graham has total net assets of $17,221,429 applicable to its preferred and common stock as of December 31, 1959. Garden has 399,300 shares of no par value capital stock ("capital stock") of which 359,700 shares are outstanding and a mortgage payable, due in December, 1962, of $3,000,000.

Graham controls Garden through its ownership of slightly over 80 percent of the outstanding capital stock of Garden. Graham acquired its interest in Garden on February 19, 1959 by purchasing capital stock of Garden from the previous controlling interests at $18 per share. Graham's percentage of ownership of Garden was augmented by the purchase by Garden of a substantial block of its own shares which were subsequently retired. By virtue of the control relationship, Garden is an affiliated person of Graham as defined in section 2(a)(3) of the Act.

The agreement of merger provides that the capital stock of Garden held by the public will be exchanged for Graham preferred stock on the basis of $20 of market value of Graham preferred stock as determined by the closing price of such stock on the New York Stock Exchange on the day preceding the merger vote, for each share of Garden capital stock. The capital stock of Garden held by Graham will be cancelled. Approval of two-thirds of Garden capital, Graham common and Graham preferred stocks is necessary. In connection with the issuance of additional shares of Graham preferred stock to be exchanged for capital shares of Garden, it is proposed to change such stock from one with a $10 par value and an annual dividend preference of 6 percent per share to one with no par value and an annual dividend preference of 60 cents per share. This change in the par value of the preferred stock is necessitated by the fact that its current market price is less than $10 and State law would prohibit the issuance of additional preferred stock at a discount from par value. In voting upon the agreement of merger, the holders of the preferred stock will also be approving this change in the

terms of the preferred stock as it is made one of the terms of the agreement of merger.

As a result of the merger, Graham will continue in existence as the surviving corporation under its present name. New York and Michigan statutes afford certain rights to shareholders of Graham and Garden objecting to the merger, upon compliance with certain statutory formalities, to require the appraisal of their shares and the payment of the appraised value in cash. The boards of either Graham or Garden may abandon the merger if they deem it inadvisable or impracticable by reason of the potential liability to stockholders demanding payment for their shares. The stockholders will vote on the merger on April 6, 1960.

The application states that the terms of the proposed transaction are reasonable and fair and do not involve overreaching on the part of any person concerned. In support of this contention, applicants refer to a prior order of this Commission (Investment Company Act Release No. 2949) of December 16, 1959, in which a $20 valuation for Garden capital stock was determined to be reasonable and fair. In addition, Garden purchased at $20 per share 73,600 shares of its own stock on October 2 and October 7, 1959, from two of its ten largest stockholders.

Applicants further contend that the transaction will be of benefit to the stockholders of Graham and Garden in that the surviving corporation will have substantial additional financial strength and credit standing, and tax savings will be effected by elimination of the 2 percent Federal income tax charge incident to a consolidated tax return and by getting increased depreciation allowance from the recording of Garden's assets at a stepped-up basis. In addition, certain expenses of Garden, such as transfer agent, registrar, auditing and related expenses, will be eliminated by the merger. Garden stockholders will receive securities with greater marketability than the securities which they presently hold. In this connection it is stated that the Garden stock no longer meets the minimum continued listing requirements of the New York Stock Exchange or the original listing requirements of the American Stock Exchange.

Section 17(a) of the Act prohibits an affiliated person of a registered investment company or any affiliated person of such a person, from selling to, or purchasing from such registered investment company or a company controlled by it any securities or property, subject to certain exceptions not pertinent here. In view of the affiliation and control relationship between Graham and Garden, the sale and purchase of securities and assets involved in effectuating the merger are prohibited, unless otherwise exempted under the Act. The Commission upon application pursuant to section 17 (b) may grant an exemption from the provisions of section 17(a) if it finds that the terms of the proposed transaction, including the consideration to be paid, are reasonable and fair and do not involve overreaching on the part of any person concerned, that the proposed transaction is consistent with the policy of the registered investment company concerned, as recited in its registration statement and reports filed under the Act, and is consistent with the general purposes of the Act.

Notice is hereby given that any interested person may, not later than April 11, 1960, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D.C. At any time after said date, as provided by Rule 0-5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the showing contained in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 60-3061; Filed, Apr. 4, 1960; 8:47 a.m.]

[File No. 812-1289]

TOWNSEND MANAGEMENT CO.

Notice of Filing of Application for Order Extending Time to Fill Vacancies on Board of Directors

MARCH 29, 1960.

Notice is hereby given that Townsend Management Company ("TMC"), a registered closed-end management investment company, has filed an application and amendment thereto, pursuant to section 10(e), or in the alternative, section 6(c) of the Investment Company Act of 1940 ("Act") for an order thereunder extending the time within which to fill two vacancies on its board of directors.

Section 10(a) of the Act provides, to the extent applicable here, that no registered investment company shall have a board of directors more than 60 percent of the members of which are officers or employees of such registered company. Section 10(e) of the Act provides, in pertinent part, that if by reason of bona fide resignation of any director or directors, the requirements of section 10(a) shall not be met, the operation of the provisions of said Section shall be suspended for a period of 30 days if the vacancy or vacancies may be filled by the board of directors, or for 60 days if a vote of stockholders is required to fill the vacancy or vacancies, or for such longer period as the Commission may prescribe by order upon application, as not inconsistent with the protection of investors. Section 6(c) of the Act provides that the Commission may conditionally or unconditionally exempt any transaction or class of transactions from any provisions of the Act if and to the extent such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

It is recited in the application that the board of directors of TMC was comprised of five directors elected by its stockholders at an annual meeting held April 29, 1959. As a result of various resignations and elections of directors and officers prior to January 19, 1960, the date of registration by TMC as an investment company under the Act, the board of directors of TMC has been reduced to three members with two vacancies. All three present members of the board of directors of TMC are also officers of TMC and one such member was selected by the other directors and not elected by stockholders. Accordingly, as presently constituted, the composition of TMC's board of directors does not conform to the requirements of section 10(a) of the Act. TMC represents that its by-laws empower the board of directors to fill vacancies on the board arising from resignations. Such action, however, would be contrary to the provisions of section 16(a) of the Act, which prohibits the filling of vacancies on a board of directors of a registered investment company unless immediately after filling any such vacancy at least two-thirds of the directors then holding office shall have been elected to such office by the stockholders.

It is further represented in the application that the operative effect of the provisions of section 10(a) of the Act, as qualified by section 10(e) of the Act, is such that a special meeting of stockholders of TMC should have been held for the purpose of electing directors prior to March 19, 1960, a period of only five weeks from the regularly scheduled date of the next annual meeting of stockholders. It is further stated that the convening of a special meeting of stockholders for the purpose of electing directors of TMC who will then serve for the short interim period would serve little purpose other than to entail additional expense, time and effort on behalf of TMC, its directors, officers and its counsel to prepare all of the necessary materials for such meeting.

Accordingly, TMC requests that the Commission enter an order under section 10(e) of the Act extending the period of time allowed for the filling of the vacancies on the board of directors of TMC until the next regularly scheduled annual meeting of shareholders of TMC on April 27, 1960, or any adjournment or adjournments thereof. Alternatively, TMC requests, without conceding the inapplicability of section 10(e) of the Act, that the application be considered under section 6(c) of the Act, if it be deemed that the operation of the provisions of section 10(a) were applicable to TMC for some time prior to January 19, 1960.

Notice is further given that any interested person may, not later than April 12, 1960, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest,

the reason for such request and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D.C. At any time after said date, as provided by Rule O–5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the showing contained in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F.R. Doc. 60-3062; Filed, Apr. 4, 1960; 8:47 a.m.]

DEPARTMENT OF COMMERCE

Bureau of Foreign Commerce

[Case No. 267]

ORIENTAL TRADING CO., LTD., ET AL.

Order Denying Export Privileges

In the matter of Oriental Trading Co., Ltd., sometimes known as Toyo Boeki K.K. or Toyo Trading Company, 15 Akasaka Tameike-cho, Minato-ku Tokyo, Japan and Koji Kitahara, Tokio Kajihara, Kazushige Masatsugu, 15 Akasaka Tameike-Cho, Minato-ku Tokyo, Japan, *Respondents;* Case No. 267.

Oriental Trading So., Ltd., sometimes known as Toyo Boeki K.K. or Toyo Trading Company, and Koji Kitahara, Tokio Kajihara, and Kazushige Masatsugu, the respondents herein, were charged by the Director, Investigation Staff, Bureau of Foreign Commerce of the United States Department of Commerce, with having violated the Export Control Act of 1949, as amended, in that, as alleged, they caused an electron microscope exported from the United States to Japan, under General License, to be diverted to Moscow, Russia, without prior authorization from the Bureau of Foreign Commerce. The respondents Oriental Trading Co., Ltd. and Koji Kitahara answered the charging letter, and admitted the transshipment but set forth certain new material in defense and mitigation. The respondents Kazushige Masatsugu and Tokio Kajihara failed to answer and are in default. All but Kajihara have been subject to a temporary denial order since July 31, 1959 (24 F.R. 6274, Aug. 5, 1959).

In accordance with the practice, the case was referred to the Compliance Commissioner, who has reported that the evidence supports findings of violation and has recommended that the respondents be denied export privileges so long as export controls remain in effect.

Now, after considering the entire record consisting of the charges, the evidence submitted in support thereof, the answers and other evidence submitted by respondents, and the Report and Recommendation of the Compliance Commissioner, I hereby make the following

Findings of fact. 1. At all times hereinafter mentioned, the respondent Oriental Trading Co., Ltd., also known as Toyo Boeki K.K. and Toyo Trading Company, was engaged in the import and export business in Tokyo, Japan; and Koji Kitahara, Tokio Kajihara, and Kazushige Masatsugu were officers or employees thereof who participated on its behalf in the conduct hereinafter set forth.

2. On or about the 18th day of February, 1959, the corporate respondent, following extensive negotiations in writing, conducted on its behalf by Koji Kitahara, entered into an agreement under and pursuant to which it purchased from the manufacturer in the United States one electron microscope together with the accessories thereto, all valued at $28,215., c.i.f. Japan.

3. The correspondence leading up to the making of the agreement was of a nature to cause the manufacturer in the United States to believe with reason that it was the intention of the purchaser to have the said microscope installed in Japan.

4. Following the making of the agreement, the manufacturer exported the microscope and its accessories to the corporate respondent and, at the time of the exportation, caused to be authenticated a shipper's export declaration in which it was certified that the equipment was being exported from the United States to Japan pursuant to the General License permitting such exportation.

5. At the same time, the manufacturer sent to the corporate respondent the commercial invoice and bill of lading, on both of which there had been endorsed the required destination control notice putting the respondents on notice that the equipment so exported was not to be diverted to any Soviet Bloc destination unless authorized by the United States.

6. Prior to the arrival of the equipment in Japan, all the respondents were notified by the United States Embassy in Japan, by the manufacturer, and by others, that by reason of United States export controls the equipment was not to be diverted to Soviet Russia.

7. The respondents, having obtained control of the equipment, assured the United States Embassy and the manufacturer that they would dispose of the equipment in Japan and would not divert it to their customer in Soviet Russia.

8. The respondents thereafter, in defiance of the notices theretofore given to them and in breach of their assurances to the United States Embassy and the manufacturer, did cause the equipment to be loaded aboard a vessel in Japan and transported to their customer in Moscow, Russia.

And, from the foregoing, I have concluded that the respondents knowingly received the said equipment and caused it to be diverted to an unauthorized destination in violation of and contrary to §§ 381.2, 381.4, and 381.6 of the Export Control Regulations of the United States.

In his report the Compliance Commissioner said in part:

> This case is concerned with the transshipment to Soviet Russia of [an] electron microscope, together with accessories, valued c.i.f. Yokohama, Japan, at $28,215, in the aggregate. It is not denied that the microscope and accessories, purchased * * * in the United States, were transshipped to [a purchased in] Moscow, U.S.S.R., after delivery in Yokohama. * * *
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> Respondents other than Kajihara have been subject to a temporary denial order since July 31, 1959.
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> [After it was learned that respondents had purchased the microscope for delivery to their buyer in Russia, efforts were made to dissuade them from completing such delivery, and respondents gave certain assurances that they would arrange a sale for use in Japan.] It does not appear that respondents made any real effort to dispose of the microscope in Japan. On the contrary, their largest concern at that time was the difficulties with which they would be confronted in the event of a failure to deliver the microscope to their customer in Russia. As has been reported in the consular despatches and admitted in their letters of August 5 and September 21, 1959, respondents were more concerned with reprisals which the Russians might take against them for failure to complete their contract and the consequent loss of their U.S.S.R. trade, which constituted 90 percent of their business. According to * * * a port handling agent, the microscope was unloaded from the exporting carrier on May 24, 1959, and, within only six days thereafter, was placed aboard the transshipping carrier for Soviet Russia. * * * This short interval does not suggest anything but a deliberate and expeditious diversion operation on the part of the respondents.
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> * * * [R]espondents' prime motivation in making the re-exportation and in disregarding the warnings against transshipment was the consequences which they feared from the failure to perform their contract with the Soviet purchaser and the fact that 90 percent of their business was with Soviet Russia. They made a calculated choice, having decided that these were more important to them than a denial of United States export privileges.
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> The violation having been established, I have given careful consideration to all the facts, particularly the difficulties with which respondents were confronted, and have also examined certain classified material concerned only with the remedial action to be taken. * * * It is my belief that the respondents should be denied all export privileges in order to further the foreign policy of the United States and in the exercise of the necessary vigilance over exports from the standpoint of their significance to the national security.

Having concluded that the recommended action is fair, just, and necessary to achieve effective enforcement of the law, it is hereby

Ordered: I. The temporary denial order dated July 31, 1959 (24 F.R. 6274, Aug. 5, 1959) is hereby made permanent. So long as export controls shall be in effect, the said respondents, their agents, servants, and employees, be, and they hereby are denied all privileges of participating, directly or indirectly, in any manner or capacity, in any exportation of any commodity or technical data from the United States to any foreign destination, including Canada, whether such exportation has heretofore or hereafter been completed. Without limitation of the generality of the foregoing denial of

export privileges, participation in an exportation is deemed to include and prohibit participation, directly or indirectly, in any manner or capacity, (a) as a party or as a representative of a party to any validated export license application, (b) in the obtaining or using of any validated license, or resorting to a procedure permitted by any General License, or the utilization of any export control document, (c) in the receiving, ordering, buying, selling, using, or disposing in any foreign country of any commodities in whole or in part exported or to be exported from the United States, and (d) in storing, financing, forwarding, transporting, or other servicing of such exports from the United States.

II. Such denial of export privileges shall extend not only to the respondents, but also to any person, firm, corporation, or business organization with which they now or hereafter may be related by affiliation, ownership, control, position of responsibility, or other connection in the conduct of trade in which may be involved exports from the United States or services connected therewith.

III. Without prior disclosure to, and specific authorization from the Bureau of Foreign Commerce, no person, firm, corporation, partnership, or other business organization, whether in the United States or elsewhere, shall, on behalf of or in any association with any respondent, directly or indirectly, in any manner or capacity, (a) apply for, obtain, or use any license, shipper's export declaration, bill of lading, or other export control document relating to any such prohibited activity or (b) order, receive, buy, use, sell, dispose of, finance, transport, or forward any commodity heretofore or hereafter exported from the United States. Nor shall any person do any of the foregoing acts with respect to any such commodity or exportation in which any respondent may have any interest of any kind or nature.

Dated: March 31, 1960.

JOHN C. BORTON,
Director,
Office of Export Supply.

[F.R. Doc. 60-3077; Filed, Apr. 4, 1960; 8:48 a.m.]

Federal Maritime Board

COMPANIA MARITIMA SAN BASILIO, S.A., AND SOCIEDAD MARITIMA SAN NICOLAS, S.A.

Notice of Agreement Filed for Approval

Notice is hereby given that the following described agreement has been filed with the Board for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733, 46 U.S.C. 814):

Agreement No. 8423-1, between Compania Maritima San Basilio, S.A., and Sociedad Maritima San Nicolas, S.A. (carriers comprising the "Marchessini Lines" joint service), modifies approved joint service Agreement No. 8423, covering various trading areas of the world, to include Thailand (Siam), China, including Hong Kong, Japan, Formosa, Federation of Malaya, Republic of Indonesia, Saudi Arabia, Iraq, India, Pakistan, United Arab Republic, and Lebanon within the scope of the agreement.

Interested parties may inspect this agreement and obtain copies thereof at the Regulation Office, Federal Maritime Board, Washington, D.C., and may submit, within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to the agreement and their position as to approval, disapproval, or modification, together with request for hearing should such hearing be desired.

Dated: March 31, 1960.

By order of the Federal Maritime Board.

JAMES L. PIMPER,
Secretary.

[F.R. Doc. 60-3078; Filed, Apr. 4, 1960; 8:48 a.m.]

FARRELL LINES, INC., AND ZIM ISRAEL NAVIGATION CO., LTD.

Notice of Agreement Filed for Approval

Notice is hereby given that the following described agreement has been filed with the Board for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733, 46 U.S.C. 814):

Agreement No. 8448, between Farrell Lines Incorporated and Zim Israel Navigation Co., Ltd., covers a through billing arrangement in the trade between Harbel, Grand Bassa, Sinoe and Cape Palmas, Liberia, and United States Atlantic ports, with transhipment at Monrovia, Liberia. Agreement No. 8448, upon approval, will supersede and cancel approved agreement No. 8373.

Interested parties may inspect this agreement and obtain copies thereof at the Regulation Office, Federal Maritime Board, Washington, D.C., and may submit, within 20 days after publication of this notice in the FEDERAL REGISTER, written statements with reference to the agreement and their position as to approval, disapproval, or modification, together with request for hearing should such hearing be desired.

By order of the Federal Maritime Board.

Dated: March 31, 1960.

JAMES L. PIMPER,
Secretary.

[F.R. Doc. 60-3079; Filed, Apr. 4, 1960; 8:48 a.m.]

Maritime Administration

[Docket No. S-108]

MOORE-McCORMACK LINES, INC.

Notice of Application and of Hearing

Notice is hereby given of the application of Moore-McCormack Lines, Inc., for written permission of the Maritime Administrator, under section 805(a) of the Merchant Marine Act, 1936, as amended, 46 U.S.C. 1223, for its owned vessel, the "SS Robin Mowbray", which is under time charter to States Marine Lines to engage in one intercoastal voyage commencing at United States North Pacific ports on or about April 19, 1960, to load lumber and/or lumber products for discharge at United States Atlantic ports. This application may be inspected by interested parties in the Office of Government Aid, Maritime Administration.

A hearing on the application has been set before the Maritime Administrator for April 15, 1960, at 9:30 a.m., e.s.t., in Room 4519, General Accounting Office Building, 441 G Street NW., Washington 25, D.C. Any person, firm, or corporation having any interest (within the meaning of section 805(a)) in such application and desiring to be heard on issues pertinent to section 805(a) must, before the close of business on April 14, 1960, notify the Secretary, Maritime Administration in writing, in triplicate, and file petition for leave to intervene which shall state clearly and concisely the grounds of interest, and the alleged facts relied on for relief. Notwithstanding anything in Rule 5(n) of the rules of practice and procedure, Maritime Administration, petitions for leave to intervene received after the close of business on April 14, 1960, will not be granted in this proceeding.

Dated: April 1, 1960.

JAMES L. PIMPER,
Secretary.

[F.R. Doc. 60-3114; Filed, Apr. 4, 1960; 8:49 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[Bureau Order 551, Amdt. 59]

REDELEGATION OF AUTHORITY

Order No. 551, as amended, is further amended by adding a new section under the heading "Functions Relating to Indian Lands and Minerals" to read as follows:

SEC. 34. *Equalization of Allotments, Agua Caliente (Palm Springs) Reservation, California, as provided in 25 CFR Part 124.* The taking of action with respect to those matters set forth in 25 CFR Part 124 except the authority to approve allotment schedules and to issue trust patents.

LEON V. LANGAN,
Acting Commissioner.

MARCH 30, 1960.

[F.R. Doc. 60-3050; Filed, Apr. 4, 1960; 8:45 a.m.]

Bureau of Land Management

[84398]

FLORIDA

Notice of Filing Plat of Survey and Resurvey and Order Providing for Opening of Public Lands

MARCH 30, 1960.

The Plat of Survey and Resurvey of the lands described below will be offi-

cially filed in the Eastern States Land Office, effective 10:00 a.m., on May 24, 1960.

TALLAHASSEE MERIDIAN

	Acres
T. 13 S., R. 11 E. (Islands):	
Sec. 26:	
Lot 2	0.53
Lot 3	4.70
Sec. 35:	
Lot 3	1.48
Lot 4	12.79
Lot 5	28.40
Lot 6	8.18
Lot 7	0.28
Sec. 36:	
Lot 10	30.98
Lot 11	8.15
Lot 12	138.06
Lot 13	4.84
Lot 14	1.47
Lot 15	0.16
Lot 16	0.84
T. 13 S., R. 12 E.,	
Sec. 31, Lot 6	4.93
T. 14 S., R. 11 E.,	
Sec. 1, Lot 1	6.16
Sec. 1:	
Lot 2	12.88
Lot 3	5.59
Sec. 2, Lot 1	0.53

These surveys were undertaken as an administrative measure to identify certain islands, omitted in the original survey, and to reidentify certain other public land islands previously surveyed but whose configuration had changed so materially that the original survey is no longer representative of their present size, position, and shape. This work was done in connection with a proposed withdrawal of the islands, filed by the Fish and Wildlife Service BLM 050707.

As determined from their examination by the surveyor, the islands, which are all nearly identical, are low and wet, having a maximum interior elevation of 12 inches, and are of sandy muck formation with considerable organic material therein. They are covered with a heavy growth of rosea cane, needle and saw grasses, reeds, and lilies, and are nearly covered by water during times of extreme high tide or onshore winds. There are hammock areas on three of the islands reaching to two feet in elevation, supporting a good growth of cedar, palms, and upland brush, which serve as rookeries for native birds. All of the islands surveyed are considered to be over 50 percent swamp and overflow in character within the meaning of the Act of September 28, 1850 (9 Stat. 519).

Upon the effective date hereof, the lands recited herein will become subject to the operation of/and disposition under the applicable existing public land laws. They will be subject to selection by the State of Florida under the Swamp Land Grant Act of September 28, 1850 (9 Stat. 519); the filing of applications by individuals based upon prior, valid, existing and maintained settlement rights; preference rights conferred by existing law; and equitable claims subject to allowance and confirmation.

All inquiries relating to the lands should be directed to the Manager, Eastern States Land Office, Bureau of Land Management, Department of the Interior, Washington 25, D.C.

H. K. SCHOLL,
Manager.

[F.R. Doc. 60-3051; Filed, Apr. 4, 1960; 8:45 a.m.]

[Group 333, Arizona]

ARIZONA

Amended Notice of Filing of Plats of Survey

MARCH 28, 1960.

Effective March 28, 1960 the paragraph listing the lands now embraced in Power Site Reserve No. 446, appearing on page 9026, Vol. 24 of the FEDERAL REGISTER dated November 5, 1959, is hereby amended to include the E½NE¼, SW¼NE¼, SE¼NW¼ Sec. 9, T. 40 N., R. 8 E., N½N½, SW¼NW¼ Sec. 13, SE¼SW¼ Sec. 26, T. 41 N., R. 8 E., SE¼NW¼, W½SW¼ Sec. 8, NW¼NW¼, SE¼NW¼, NE¼SW¼, S½SW¼ Sec. 17, S½NW¼ Sec. 18, T. 41 N., R. 9 E.

ROY T. HELMANDOLLAR,
Manager.

[F.R. Doc. 60-3052; Filed, Apr. 4, 1960; 8:46 a.m.]

DEPARTMENT OF LABOR

Wage and Hour Division

LEARNER EMPLOYMENT CERTIFICATES

Issuance to Various Industries

Notice is hereby given that pursuant to section 14 of the Fair Labor Standards Act of 1938 (52 Stat. 1060, as amended, 29 U.S.C. 201 et seq.), the regulations on employment of learners (29 CFR Part 522), and Administrative Order No. 524 (24 F.R. 9274) the firms listed in this notice have been issued special certificates authorizing the employment of learners at hourly wage rates lower than the minimum wage rates otherwise applicable under section 6 of the Act. The effective and expiration dates, occupations, wage rates, number or proportion of learners, learning periods, and the principal product manufactured by the employer for certificates issued under general learner regulations (§§ 522.1 to 522.11) are as indicated below. Conditions provided in certificates issued under special industry regulations are as established in these regulations.

Apparel Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.20 to 522.24, as amended).

The following learner certificates were issued authorizing the employment of 10 percent of the total number of factory production workers for normal labor turnover purposes. The effective and expiration dates are indicated.

Cay Artley Apparel, Inc., 232 Levergood Street, 389 Maple Avenue, Johnstown, Pa.; effective 3-16-60 to 3-15-61 (women's dresses).

Blue Bell, Inc., 301 North Main Street, Abingdon, Ill.; effective 4-1-60 to 3-31-61 (men's cotton twill matched pants).

Blue Bell, Inc., Prentiss County, Baldwyn, Miss.; effective 4-1-60 to 3-31-61 (blouses).

Cluett, Peabody and Co., Inc., Virginia, Minn.; effective 4-1-60 to 3-31-61 (men's dress shirts).

International Latex Corp., LaGrange, Ga.; effective 4-4-60 to 4-3-61 (brassieres).

Reidbord Brothers Co., Livingston Street, Elkins, W. Va.; effective 3-21-60 to 3-20-61 (men's work trousers and shirts).

The Seaford Garment Co., Seaford, Del.; effective 3-16-60 to 3-15-61 (shirts).

Shane Manufacturing Co., Inc., 2015 West Maryland Street, Evansville, Ind.; effective 4-1-60 to 3-31-61 (cotton work clothing, denim overalls).

The following learner certificates were issued for normal labor turnover purposes. The effective and expiration dates and the number of learners authorized are indicated.

Alan Manufacturing Co., 695 Hazle Street, Wilkes-Barre, Pa.; effective 3-21-60 to 3-20-61; 10 learners (ladies' dresses).

Angler Sales Corp., Inc., Angier, N.C.; effective 3-18-60 to 3-17-61; five learners (ladies' dresses).

Duquesne Manufacturing Co., 852 Constitution Boulevard; New Kensington, Pa.; effective 4-1-60 to 3-31-61; 10 learners (women's cotton house dresses, hooverettes, aprons, pinafores, brunch coats, and uniforms).

Heflin Chenille Manufacturing Corp., Heflin, Ala.; effective 3-19-60 to 3-18-61; 10 learners (chenille house coats).

Joel Manufacturing Co., 144 Hazle Street, Wilkes-Barre, Pa.; effective 3-21-60 to 3-20-61; 5 learners (ladies' dresses).

Saf-T-Bak, Inc., 1715—11th Avenue, Altoona, Pa.; effective 4-1-60 to 3-31-61; 10 learners (men's and boys' duck hunting clothes).

Wind 'N Sky, Inc., 624—Seventh Avenue East, Hendersonville, N.C.; effective 3-15-60 to 3-14-61; five learners (women's dresses).

The following learner certificates were issued for plant expansion purposes. The effective and expiration dates and the number of learners authorized are indicated.

Carolina Sportswear Co., Warrenton, N.C.; effective 3-14-60 to 9-13-60; 25 learners (men's and boys' knitted sportswear).

Dee-Mure Brassiere Co., Inc., Hamlin, W. Va.; effective 3-16-60 to 9-15-60; 10 learners (women's apparel, brassieres).

Heflin Chenille Manufacturing Corp., Heflin, Ala.; effective 3-19-60 to 9-18-60; 25 learners (chennile house coats).

Nino Sportswear, 221 Lackawanna Avenue, Scranton, Pa.; effective 3-15-60 to 9-14-60; 10 learners (boys' and men's trousers).

Ridgely Manufacturing Co., Ridgley, Tenn.; effective 3-17-60 to 9-16-60; 35 learners (jackets).

Hosiery Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.40 to 522.44, as amended).

Glen Raven Knitting Mills, Inc., Altamahaw, N.C.; effective 4-6-60 to 4-5-61; 5 percent of the total number of factory production workers for normal labor turnover purposes (full-fashioned).

Independent Telephone Industry Learner Regulations (29 CFR 522.1 to 522.11, as amended, and 29 CFR 522.70 to 522.75, as amended).

Fort Kent Telephone Co., Fort Kent, Maine; effective 3-20-60 to 3-19-61.

Regulations Applicable to the Employment of Learners (29 CFR 522.1 to 522.11, as amended).

The following learner certificates were issued in Puerto Rico to the companies hereinafter named. The effective and expiration dates, learner rates, occupations, learning periods, and the number or proportion of learners authorized to be employed, are as indicated.

Broiderette, Inc., Naguabo, P.R.; effective 2-8-60 to 8-7-60; 100 learners for plant expansion purposes in the occupations of: (1) machine embroidery operators, sewing machine operators, each for a learning period of 480 hours at the rates of 53 cents an hour for the first 240 hours and 62 cents an hour for the remaining 240 hours; (2) handcutting of applique on embroidery panels, for a learning period of 240 hours at the rates of 53 cents an hour for the first 160 hours and 62 cents and hour for the remaining 80 hours (women's underwear).

The Carib Co., Inc., Aibonito, P.R.; effective 3-9-60 to 3-8-61; 22 learners for normal labor turnover purposes in the occupations of machine sewing and laying off, each for a learning period of 480 hours at the rates of 57 cents an hour for the first 240 hours and 66 cents an hour for the remaining 240 hours (women's gloves).

The Carib Co., Inc., Aibonito, P.R.; effective 3-9-60 to 9-8-60; 18 learners for plant expansion purposes in the occupations of machine sewing and laying off, each for a learning period of 480 hours at the rates of 57 cents an hour for the first 240 hours and 66 cents an hour for the remaining 240 hours (women's gloves).

Caribe Precision Balls, Inc., Roosevelt Station, P.R.; effective 2-25-60 to 2-24-61; five learners for normal labor turnover purposes in the occupation of ball grinder machine operators for the learning period of 480 hours at the rates of 80 cents an hour for the first 240 hours and 88 cents an hour for the remaining 240 hours (stainless steel balls for pens).

Caribe Princesa, Inc., Humacao, P.R.; effective 2-29-60 to 2-28-61; 10 learners for normal labor turnover purposes in the occupation of sewing machine operators for a learning period of 480 hours at the rates of 53 cents an hour for the first 240 hours and 62 cents an hour for the remaining 240 hours (women's panties).

Caribe Princesa, Inc., Humacao, P.R.; effective 2-29-60 to 8-28-60; 30 learners for plant expansion purposes in the occupation of sewing machine operators for a learning period of 480 hours at the rates of 53 cents an hour for the first 240 hours and 62 cents an hour for the remaining 240 hours (women's panties).

Carolina Rubber Manufacturing Corp., Carolina, P.R.; effective 3-1-60 to 4-11-60; 10 learners for plant expansion purposes in the occupations of: (1) pressmen, for a learning period of 480 hours at the rates of 75 cents an hour for the first 240 hours and 88 cents an hour for the remaining 240 hours; (2) compounders, for a learning period of 320 hours at the rates of 75 cents an hour for the first 160 hours and 88 cents an hour for the remaining 160 hours; (3) inspectors, cleaners, each for a learning period of 160 hours at the rate of 75 cents an hour (replacement certificate) (technical rubber parts).

Central Products Co., Mayaguez, P.R.; effective 3-1-60 to 2-28-61; five learners for normal labor turnover purposes in the occupations of inspection, assembly work, stamping, punch press, and pull-in-table, each for a learning period of 480 hours at the rates of 75 cents an hour for the first 240 hours and 88 cents an hour for the remaining 240 hours (measuring tape).

Central Products Co., Mayaguez, P.R.; effective 3-1-60 to 8-31-60; 40 learners for plant expansion purposes in the occupations of inspection, assembly work, stamping, punch press, and pull-in-table, each for a learning period of 480 hours at the rates of 75 cents an hour for the first 240 hours and 88 cents an hour for the remaining 240 hours (measuring tape).

Clairex Corp. of Puerto Rico, 65th Infantry Avenue, K. 3.6, Villa Prades Industrial Dev., Rio Piedras, P.R.; effective 3-1-60 to 8-31-60; 20 learners for plant expansion purposes in the occupations of photocell assemblers, inspection and testing, each for a learning period of 480 hours at the rates of 80 cents an hour for the first 240 hours and 90 cents an hour for the remaining 240 hours (photo electric cells).

Craftsman Billfolds of Puerto Rico, Caguas, P.R.; effective 3-8-60 to 3-7-61; 11 learners for normal labor turnover purposes in the occupations of: (1) stitching machine operators, for a learning period of 320 hours at the rates of 43 cents an hour for the first 160 hours and 50 cents an hour for the remaining 160 hours; (2) cutters (die and clicker machine operators), gold tooling stampers, and skiving machine operators, each for a learning period of 160 hours at the rate of 43 cents an hour (leather billfolds).

Eastern Watch Co., Ltd., Lot 46, Minillas Industrial Area, Bayamon, P.R.; effective 3-2-60 to 3-1-61; 25 learners for normal labor turnover purposes in the occupations of subassembly, assembly, and inspection of watches, each for a learning period of 480 hours at the rates of 72 cents an hour for the first 240 hours and 84 cents an hour for the remaining 240 hours (watches).

Eastern Watch Co., Ltd., Lot 46, Minillas Industrial Area, Bayamon, P.R.; effective 3-2-60 to 9-1-60; 75 learners for plant expansion purposes in the occupations of subassembly, assembly, and inspection of watches, each for a learning period of 480 hours at the rates of 72 cents an hour for the first 240 hours and 84 cents an hour for the remaining 240 hours (watches).

Economy Industries, Inc., Rio Grande, P.R.; effective 1-19-60 to 7-18-60; 70 learners for plant expansion purposes in the occupations of: (1) sewing machine operators, and final pressing, each for a learning period of 480 hours at the rates of 53 cents an hour on blouses for the first 240 hours and 62 cents an hour for the remaining 240 hours; 58 cents an hour on dresses for the first 240 hours and 68 cents an hour for the remaining 240 hours; (2) machine operations other than sewing machine (collar turners and trimmers), each for a learning period of 160 hours at the rates of 53 cents an hour on blouses and 58 cents an hour on dresses (ladies' blouses and dresses).

Finrico, Inc., Cayey, P.R.; effective 2-11-60 to 8-10-60; 30 learners for plant expansion purposes in the occupations of machine stitching, and pressing, each for a learning period of 320 hours at the rates of 72 cents an hour for the first 160 hours and 84 cents an hour for the remaining 160 hours (full-fashioned sweater finishing).

General Cigar Co., Inc., Ruiz Belvis Street, Caguas, P.R.; effective 2-24-60 to 8-23-60; 40 learners for plant expansion purposes in the occupation of machine stemming for a learning period of 160 hours at the rate of 65 cents an hour (machine stripping of Connecticut type tobacco).

Gordonshire Knitting Mills, Inc., Cayey, P.R.; effective 2-1-60 to 1-31-61; 50 learners for normal labor turnover purposes in the occupations of: (1) sweater looping, knitting, each for a learning period of 480 hours at the rates of 72 cents an hour for the first 240 hours and 84 cents an hour for the remaining 240 hours; (2) machine stitching (seaming) for a learning period of 320 hours at the rates of 72 cents an hour for the first 160 hours and 84 cents an hour for the remaining 160 hours (sweaters).

International Braid Corp., 425 Carpenter Road., Hato Rey, Rio Piedras, P.R; effective 2-8-60 to 8-7-60; 15 learners for plant expansion purposes in the occupations of braider, quiller, spooler, and winding machine operators, each for a learning period of 240 hours at the rate of 55 cents an hour (elastic braid).

La Vega Co., Aibonito, P.R.; effective 3-14-60 to 9-13-60; 100 learners for plant expansion purposes in the occupation of sewing machine operators for a learning period of 480 hours at the rates of 53 cents an hour for the first 240 hours and 62 cents an hour for the remaining 240 hours (ladies' underwear).

Marcat, Inc., Caguas, P.R.; effective 3-14-60 to 9-13-60; 30 learners for plant expansion purposes in the occupation of assembler (gun mount) for a learning period of 480 hours at the rates of 80 cents an hour for the first 240 hours and 90 cents an hour for the remaining 240 hours (assembly of television gun mounts).

National Packing Co., Ponce, P.R.; effective 3-9-60 to 3-8-61; 15 learners for normal labor turnover purposes in the occupation of fish cleaners for a learning period of 160 hours at the rates of 65 cents an hour for the first 80 hours and 75 cents an hour for the remaining 80 hours (fish canning).

Puerto Rico Hosiery Mills, Inc., Arecibo, P.R.; effective 2-10-60 to 2-9-61; 10 learners for normal labor turnover purposes in the occupation of knitting for a learning period of 960 hours at the rates of 56 cents an hour for the first 480 hours and 62 cents an hour for the remaining 480 hours (full-fashioned hosiery).

Porto Corp., Div. "B", Road to Lares, Arecibo, P.R.; effective 3-1-60 to 8-31-60; 30 learners for plant expansion purposes in the occupations of: (1) sewing machine operators for a learning period of 480 hours at the rates of 54 cents an hour for the first 240 hours and 63 cents an hour for the remaining 240 hours; (2) final inspection of fully assembled garments for a learning period of 160 hours at the rate of 54 cents an hour (men's athletic shorts).

Rafali Corp., 502 Road No. 2, Mayaguez, P.R.; effective 3-11-60 to 3-10-61; 10 learners for normal labor turnover purposes in the occupations of: (1) machine embroidery operators for a learning period of 480 hours at the rates of 53 cents an hour for the first 240 hours and 62 cents an hour for the remaining 240 hours; (2) hand cutters of applique for a learning period of 240 hours at the rates of 53 cents an hour for the first 160 hours and 62 cents an hour for the remaining 80 hours (embroidery of lingerie).

Rico Glove Corp., Cayey, P.R.; effective 2-15-60 to 8-14-60; 10 learners for plant expansion purposes in the occupation of machine sewing for a learning period of 480 hours at the rates of 57 cents an hour for the first 240 hours and 66 cents an hour for the remaining 240 hours (fabric gloves).

Sally Manufacturing Corp., Juana Diaz, P.R.; effective 3-14-60 to 9-13-60; 30 learners for plant expansion purposes in the occupations of: (1) sewing machine operators for a learning period of 480 hours at the rates of 60 cents an hour for the first 320 hours and 70 cents an hour for the remaining 160 hours; (2) final inspection of fully assembled garments for a learning period of 160 hours at the rate of 60 cents an hour (brassieres).

Savage Arms Inc., Star Route No. 55, Minillas, Bayamon, P.R.; effective 2-15-60 to 8-14-60; 14 learners for plant expansion purposes in the occupations of machine operators, finishers, final assemblers (gunsmiths), each for a learning period of 480 hours at the rates of 75 cents an hour for the first 240 hours and 88 cents an hour for the remaining 240 hours (firearms).

Sportee Corp. of America, Ponce, P.R.; effective 2-1-60 to 1-31-61; 10 learners for normal labor turnover purposes in the occupa-

tions of sewing machine operators, final pressers, each for a learning period of 480 hours at the rates of 49 cents an hour for the first 240 hours and 57 cents an hour for the remaining 240 hours (children's dress and related products).

Sportee Corp. of America, Ponce, P.R.; effective 2-1-60 to 1-31-61; five learners for normal labor turnover purposes in the occupations of sewing machine operators, final pressers, each for a learning period of 480 hours at the rates of 54 cents an hour for the first 240 hours and 63 cents an hour for the remaining 240 hours (men's and boys' clothing).

Sundale Manufacturing Corp., Ponce, P.R.; effective 2-3-60 to 8-2-60; 20 learners for plant expansion purposes in the occupation of sewing machine operators for a learning period of 480 hours at the rates of 49 cents an hour for the first 240 hours and 57 cents an hour for the remaining 240 hours (infants' and children's dresses).

Valley Sportswear Inc., Jose I. Quinton St., Coamo, P.R.; effective 2-23-60 to 8-22-60; 50 learners for plant expansion purposes in the occupations of: (1) sewing machine operators, final pressers, each for a learning period of 480 hours at the rates of 58 cents an hour for the first 240 hours and 68 cents an hour for the remaining 240 hours; (2) final inspection of fully assembled garments for a learning period of 160 hours at 58 cents an hour (ladies' skirts).

Wilson Shoe Co., Inc., Santa Isabel, P.R.; effective 2-22-60 to 8-21-60; 16 learners for plant expansion purposes in any productive factory occupations, but excluding those occupations excluded under regulations, sections 522.50 to 522.55, governing the employment of learners in the shoe industry on the mainland, each for a learning period of 480 hours at the rates of 47 cents an hour for the first 240 hours and 53 cents an hour for the remaining 240 hours (men's welt shoes).

Each learner certificate has been issued upon the representations of the employer which, among other things, were that employment of learners at subminimum rates is necessary in order to prevent curtailment of opportunities for employment, and that experienced workers for the learner occupations are not available. The certificates may be annulled or withdrawn, as indicated therein, in the manner provided in Part 528 of Title 29 of the Code of Federal Regulations. Any person aggrieved by the issuance of any of these certificates may seek a review or reconsideration thereof within fifteen days after publication of this notice in the FEDERAL REGISTER, pursuant to the provisions of 29 CFR 522.9.

Signed at Washington, D.C., this 24th day of March 1960.

ROBERT G. GRONEWALD,
Authorized Representative of the Administrator.

[F.R. Doc. 60-3058; Filed, Apr,. 4, 1960; 8:46 a.m.]

INTERSTATE COMMERCE COMMISSION

[Notice 290]

MOTOR CARRIER TRANSFER PROCEEDINGS

MARCH 31, 1960.

Synopses of orders entered pursuant to section 212(b) of the Interstate Commerce Act, and rules and regulations prescribed thereunder (49 CFR Part 179), appear below:

As provided in the Commission's special rules of practice any interested person may file a petition seeking reconsideration of the following numbered proceedings within 20 days from the date of publication of this notice. Pursuant to section 17(8) of the Interstate Commerce Act, the filing of such a petition will postpone the effective date of the order in that proceeding pending its disposition. The matters relied upon by petitioners must be specified in their petitions with particularity.

No. MC-FC 62930. By order of March 30, 1960, the Transfer Board approved the transfer to Robert B. Wheeler, doing business as Wheeler's Wrecker Service, 4 Church Avenue, Bellows Falls, Vt., of Certificate No. MC 115302, issued January 24, 1956, to Clarence C. Knapp, doing business as Knapp's Wrecker Service, 170 Rockingham, Bellows Falls, Vt., authorizing the transportation of: Wrecked and disabled motor vehicles, between Bellows Falls, Vt., on the one hand, and, on the other, points in Connecticut, New Jersey, Massachusetts, New Hampshire, except Manchester and Nashua, and points in New York.

No. MC-FC 62953. By order of March 30, 1960, the Transfer Board approved the transfer to Freeport Transport, Inc., Freeport, Pa., of Certificate No. MC 113666 Sub 2, issued May 22, 1959, to Andrew Smetanick, Freeport, Pa., authorizing the transportation of: Refractory products, brick, tile, and sewer pipe, from points in Armstrong County, Pa., to points in Ohio, Michigan, West Virginia, Virginia, Maryland, New York, New Jersey, Delaware, Rhode Island, Connecticut, Masachusetts, and the District of Columbia (excluding refractory products including fire brick to points in Maryland, points in West Virginia on and east of West Virginia Highway 92 and north of U.S. Highway 50, and points in Virginia on and north of U.S. Highway 33, and to the District of Columbia); and empty containers used in transporting the above commodities, from the named destination points to points in Armstrong County, Pa. James W. Hagar, Commerce Building, Harrisburg, Pa., for applicants.

No. MC-FC 62995. By order of March 30, 1960, the Transfer Board approved the transfer to Marie Eiland Bell, doing business as Bell Transfer Company, Selma, Ala., of Certificate No. MC 97310 Sub 1 issued December 2, 1949, in the name of John H. Bell, Jr., doing business as Bell Transfer Co., Selma, Ala., authorizing the transportation of general commodities, excluding household goods, commodities in bulk, and various specified commodities, between Monroeville, Ala., and Frisco City, Ala.; and from Camden, Ala., to Selma, Ala., general commodities, excluding household goods, and various specified commodities, between points in Alabama; and, fertilizer, road machinery, peanuts, livestock, baled and compressed cotton, farm produce, farm machinery, cottonseed, baled cotton, cottonseed meal, cottonseed hulls, lumber, feed, and seed; and, household goods, between points in Alabama. McLean Pitts, P.O. Box 722, Selma, Ala., for applicants.

No. MC-FC 63025. By order of March 30, 1960, the Transfer Board approved the transfer to Clarence Boles, Sr., and Clarence Boles, Jr., a partnership, doing business as Glenwood Transit Line, Glenwood, Iowa, of Certificate in No. MC 2729, issued February 25, 1941, to Clarence Boles, doing business as Glenwood Transit Line, Glenwood, Iowa, authorizing the transportation of: General commodities, excluding household goods, commodities in bulk, and other specified commodities, between Glenwood, Iowa, and Omaha, Nebr.

[SEAL] HAROLD D. MCCOY,
Secretary.

[F.R. Doc. 60-3057; Filed, Apr. 4, 1960; 8:46 a.m.]

FOURTH SECTION APPLICATIONS FOR RELIEF

MARCH 31, 1960.

Protests to the granting of an application must be prepared in accordance with Rule 40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 36119: *Lumber—British Columbia to North Dakota and South Dakota.* Filed by North Pacific Coast Freight Bureau, Agent (No. 60-1), for interested rail carriers. Rates on lumber, in carloads from specified points in British Columbia to specified points on the CMST&P in North Dakota and South Dakota.

Grounds for relief: Operation through higher-rated intermediate origins in the United States.

FSA No. 36120: *Coal—Western Penna. mines to Willoughby, Ohio.* Filed by The New York Central Railroad Company (No. 1-P), for interested rail carriers. Rates on coal, in multiple carload lots from specified mine groups in Pennsylvania to Willoughby, Ohio.

Grounds for relief: Truck competition.

Tariff: Supplement 35 to New York Central Railroad tariff I.C.C. 1846.

FSA No. 36121: *Coal—N&W Ry. mines to Fairmont, W. Va.* Filed by The Norfolk and Western Railway Company, Agent (No. 25-B), for interested rail carriers. Rates on coal, in carloads from stations in N&W Ry. mine groups 3, 4, 5, and 6 to Fairmont, W. Va.

Grounds for relief: Grouping, and operation through higher-rated intermediate points.

Tariff: Supplement 66 to Norfolk and Western Railway Company tariff I.C.C. 3379-B.

FSA No. 36122: *Coal—Wyoming to Nebraska points.* Filed by Colorado-Wyoming Committee, Agent (No. F-4), for interested rail carriers. Rates on bituminous slack coal, as described in the application, in carloads from points in Wyoming to College View, Siding, Hallam, Martell, and Rokeby, Nebr.

Grounds for relief: Market and competition with other types of fuel.

Tariff: Supplement 60 to Colorado-Wyoming Committee tariff I.C.C. 54.

FSA No. 36123: *Substituted service—PRR for Cooper-Jarrett, Inc., et al.* Filed by The Eastern Central Motor Carriers Association, Inc., Agent (No. 131), for interested carriers. Rates on property loaded in highway trailers and transported on railroad flat cars between Chicago, Ill., and Baltimore, Md., on traffic originating at or destined to such points or points beyond as described in the application.

Grounds for relief: Motor-truck competition.

Tariff: Supplement 10 to Eastern Central Motor Carriers Association, Inc., tariff MF-I.C.C. A-158.

FSA No. 36124: *Lime—Southern points to Florida.* Filed by O. W. South, Jr., Agent (SFA No. A3926), for interested rail carriers. Rates on lime, in carloads from specified producing points in southern territory, also adjacent Ohio and Mississippi River crossings and points in Virginia to specified points in Florida.

Grounds for relief: Short-line distance formula and grouping.

Tariff: Supplement 127 to Southern Freight Association, Agent, tariff I.C.C. 1345.

FSA No. 36125: *Fertilizer solutions—From, to, and between points in southwestern territory.* Filed by Southwestern Freight Bureau, Agent (No. B-7764), for interested rail carriers. Rates on fertilizer solution, in tank-car loads, as described in the application between points in southwestern territory, also between points in southwestern territory, on the one hand, and points in western trunk line territory, on the other.

Grounds for relief: Short-line distance formula and grouping.

Tariff: Supplement 88 to Southwestern Freight Bureau tariff I.C.C. 4290.

By the Commission.

[SEAL] HAROLD D. McCOY, *Secretary.*

[F.R. Doc. 60-3056; Filed, Apr. 4, 1960; 8:46 a.m.]

CUMULATIVE CODIFICATION GUIDE—APRIL

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published to date during April.